

**Management Information Circular
2005**



Invitation to our Shareholders

Dear Shareholder:

Please accept my invitation to join our Board of Directors and management team at our next annual and special meeting on December 9, 2005 at our corporate headquarters in Edmonton.

This is your opportunity to meet your Board of Directors and management team and to hear about our financial results of 2005 and our plans for the future.

If you cannot attend the annual and special meeting in person, I urge you to make your vote count by exercising the power of your proxy, which is explained in the attached Information Circular.

I thank you for your interest and confidence in our company and look forward to meeting you and answering your questions.

Sincerely,

(signed)

Nizar J. Somji
Chief Executive Officer

October 21, 2005

RSVP to 877-MATRIKON (877-628-7456) or email: ir@matrikon.com

Notice of Annual & Special Meeting of Shareholders

The 2006 Annual & Special Meeting of Shareholders will be held in the Training Center at Matrikon's corporate offices, Suite 1800, 10405 Jasper Avenue, Edmonton, Alberta on Friday, December 9, 2005 at 11:00 a.m. (Mountain Standard Time) to:

1. receive and consider our 2005 audited financial statements;
2. consider and, if you feel it appropriate, approve an amendment to the Matrikon stock option plan as described in this information circular;
3. consider and, if you feel it appropriate, approve the proposed restricted share unit (RSU) plan as described in this information circular;
4. consider and, if you feel it appropriate, approve a special resolution regarding an amendment to the Articles of Amalgamation enabling the board of directors to appoint new directors between annual meetings;
5. elect the directors of Matrikon for 2006;
6. appoint auditors for 2006; and
7. transact any other business properly brought before the meeting.

The Information Circular contains more information on these matters. Our 2005 audited financial statements are included in our Annual Report being mailed with the Circular.

Shareholders as of October 26, 2005 will be entitled to vote at the meeting. The number of eligible votes that may be cast at this meeting is 30,600,636, the total number of common shares of Matrikon outstanding on October 26, 2005.

If you cannot attend the meeting in person, please date, sign and return the enclosed form of proxy. For your vote to be recorded, your proxy must be in the hands of Olympia Trust Company no later than 5:00 p.m. (Mountain Standard Time) on Wednesday, December 7, 2005.

By order of the Board of Directors,

(signed)

Dwight I. Bliss
Corporate Secretary

Management Information Circular

All information is as at October 14, 2005 unless otherwise stated.

Q&A on Voting and Proxies

Q: WHEN IS THE ANNUAL & SPECIAL MEETING?

A: The meeting will be held on Friday, December 9, 2005 at 11:00 a.m. at Matrikon's corporate head office:

Suite 1800
10405 Jasper Avenue
Edmonton, Alberta
T5J 3N4

Q: WHAT IS THE PURPOSE OF THE MEETING?

A: The purpose of the meeting is to:

- vote on the election of directors to the board for 2006
- vote on the appointment of KPMG LLP as the auditors for 2006
- vote on the amendment to Matrikon's stock option plan to provide that no further options be issued and to allow the board of directors to extend the expiry date of existing options if we are in a trading blackout when the options are due to expire
- vote on the approval of a new long term compensation plan based on restricted share units (RSU Plan) to replace the use of options in the future
- vote on the special resolution to amend Matrikon's Articles of Incorporation to enable the board to appoint new directors between annual meetings

Q: WHO IS ENTITLED TO VOTE?

A: You are entitled to vote if you were a shareholder of Matrikon common shares as of the close of business on October 26, 2005, the record date for the meeting. Each common share is entitled to one vote on the items of business identified in this Information Circular. At October 26, 2005, 30,600,636 common shares were issued and outstanding.

Q: WHAT IF I ACQUIRED MY SHARES AFTER OCTOBER 26TH?

A: If you acquired shares after October 26, 2005, you must produce properly endorsed share certificates or otherwise establish that you own the shares, and must ask that your name be included in the list of shareholders. This must be done no later than ten days before the meeting in order to be entitled to vote at the meeting.

To ask that your name be included on the list of shareholders, contact Matrikon's transfer agent, Olympia Trust Company (see Olympia's contact details on page 5).

Q: HOW DO I VOTE?

A: **REGISTERED SHAREHOLDERS.** (Your shares are held in certificate form in your name.) There are two ways you can vote your shares if you are a registered shareholder:

- 1) **In person at the meeting.** If you plan to attend the meeting and wish to vote your shares in person, do not complete or return the proxy. Your vote will be taken and counted at the meeting.

Please register with the transfer agent, Olympia Trust Company, when you arrive at the meeting.

- 2) **By proxy.** By signing the enclosed proxy form, you will be appointing the 'named persons' or someone of your choosing (who doesn't need to be a shareholder) to represent you and vote your shares at the meeting.

The proxy must be signed by you, the shareholder, or by your attorney. If the shareholder is a corporation, it must be either under its common seal or signed by an authorized officer.

Completing and returning the form of proxy does not mean you cannot attend the meeting in person.

NON-REGISTERED SHAREHOLDERS. (Your shares are held in the name of a nominee, such as a bank, trust company, securities broker, or trustee, including trustees of RRSPs, RRIFs, RESPs and similar plans, etc.) If you are a non-registered shareholder, you can vote your shares in any of the following ways:

- 1) **By proxy.** By providing voting instructions to your nominee. Your nominee will have sent you either a request for voting instructions or a form of proxy for the number of shares you hold. Please follow the voting instructions provided by your nominee, which may include voting by telephone, voting online, or returning the form of proxy in the mail.
- 2) **In person at the meeting.** Since we do not generally have access to the names of our non-registered shareholders, we will have no record of your shareholdings or of your entitlement to vote unless your nominee has appointed you as proxyholder.

If you wish to vote in person at the meeting, please insert your own name in the space provided on the request for voting instructions or form of proxy received from the nominee to appoint yourself as proxyholder. Return the form of proxy as per the instructions provided by your nominee. Do not complete the voting instructions as your vote will be counted at the meeting. Please register with the transfer agent, Olympia Trust Company, when you arrive at the meeting.

Q: WHAT HAPPENS WHEN I SIGN AND RETURN THE FORM OF PROXY?

A: Signing the enclosed proxy form gives authority to Gordon Freund, Matrikon's General Counsel or Dwight Bliss, Matrikon's Corporate Secretary (the named proxyholders or named persons) or to another person you have appointed to vote your shares at the meeting according to the instructions you provide.

Q: CAN I APPOINT SOMEONE OTHER THAN THE NAMED PROXYHOLDER TO VOTE MY SHARES?

A: **Yes. To do so, write the name of the person you choose to appoint to represent you in the blank**

space provided on the form of proxy. The person appointed does not need to be a shareholder. It is important to ensure that the person you appoint is attending the meeting and is aware that he or she has been appointed to vote your shares. Proxyholders should present themselves to a representative of Olympia Trust Company when they arrive at the meeting.

Q: WHAT DO I DO WITH MY COMPLETED PROXY?

A: Return it to the transfer agent, Olympia Trust Company, in the envelope provided, or by fax to 780-408-3382 so that it arrives no later than 5:00 pm (Mountain Standard Time) on Wednesday, December 7, 2005. This will ensure that your vote is recorded.

If you receive a request for voting instructions from your nominee, please follow the voting instructions provided by your nominee.

Q: WHO IS SOLICITING MY PROXY?

A: The enclosed form of proxy is being solicited by the management of Matrikon for use at the annual and special meeting to vote your shares as you instruct.

Proxies will be solicited primarily by mail, but may also be solicited by electronic means, by telephone or in person. Matrikon pays the costs associated with soliciting proxies.

Q: HOW WILL MY SHARES BE VOTED IF I RETURN MY PROXY?

A: You can indicate on your proxy how you want the proxyholder to vote your shares, or you can let your proxyholder decide for you. If you specify on your proxy how you want your shares to be voted on a particular matter, the proxyholder will vote your shares that way. If you do not specify how you want your shares to be voted, your proxyholder can vote your shares as he or she sees fit.

If you appoint the persons designated in the enclosed proxy and do not specify how you want your shares voted, they will be voted as follows:

Election of directors..... FOR
 Appointment of auditors..... FOR
 Amendment to stock option plan..... FOR
 Restricted share unit plan..... FOR
 Amendment to Articles of Amalgamation FOR

Q: WHAT IF AMENDMENTS ARE MADE TO THE MATTERS TO BE VOTED ON OR OTHER MATTERS ARE BROUGHT BEFORE THE MEETING?

A: The person named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may come up during the meeting. As of the date of this Information Circular, Matrikon's management does not know of any such amendment, variation or other matter expected to come up at the meeting. If other matters properly come up at the meeting, the persons named in the form of proxy will vote on them in accordance with their best judgment.

Q: IF I CHANGE MY MIND, CAN I TAKE BACK MY PROXY ONCE I HAVE GIVEN IT?

A: Yes. If you change your mind and wish to revoke your proxy, you may do so by completing, signing and returning a new proxy with a later date or a written

statement of your wish to revoke your proxy. The new proxy or statement of revocation must be delivered to Olympia Trust Company no later than 5:00 pm Mountain Standard Time on December 7, 2005 or to the Chairman of the annual and special meeting on the day of the meeting, or any adjournment of the meeting.

Q: WHAT DOCUMENTS ARE SENT TO SHAREHOLDERS?

A: Matrikon sends a package of annual corporate documents, including the annual report, this Information Circular and the form of proxy to all Registered shareholders. Copies of the meeting materials are also sent to clearing agencies and intermediaries for distribution to Non-Registered shareholders. Intermediaries are required to forward the meeting materials to Non-Registered shareholders unless the Non-Registered shareholder has waived the right to receive them.

Q: HOW WILL THE VOTES BE COUNTED?

A: Voting at the meeting will be by a show of hands, unless a ballot is demanded by a shareholder or proxyholder. Each question brought before the meeting is determined by a majority of votes.

Q: WHO COUNTS THE VOTES?

A: Matrikon's transfer agent, Olympia Trust Company, counts and tabulates the proxies. This preserves the confidentiality of individual shareholder votes.

Q: HOW MANY PEOPLE NEED TO ATTEND THE MEETING FOR BUSINESS TO BE CONDUCTED?

A: A quorum is required in order to transact business at the meeting. Quorum is achieved when two people entitled to vote are present in person and a minimum of 5% of the outstanding common shares are represented.

Q: HOW CAN I CONTACT THE TRANSFER AGENT?

A: You can contact the transfer agent by mail at:

Olympia Trust Company
 #460 Sun Life Place
 10123 – 99 Street
 Edmonton, Alberta T5J 3H1

Or by telephone:
 780-702-1270

Or by email:
 molloyj@olympiustrust.com

Q: WHO ARE THE PRINCIPAL SHAREHOLDERS OF THE COMPANY?

A: To the knowledge of the directors and senior officers of Matrikon, the only persons or corporations who beneficially own or exercise control or direction of more than 10% of the outstanding shares of the company are:

Name	Number of Common Shares Owned or Controlled	Percentage of Common Shares as of October 14, 2005
Nizar J. Somji	9,891,210	32.3%
Van Berkom & Associates Inc.	3,704,350*	12%

* As at October 11, 2005

Business to be Conducted at the Meeting

1. Financial Statements

The audited financial statements of Matrikon for the year ended August 31, 2005 which are contained in the Annual Report included with this Proxy Circular will be placed before shareholders for their consideration at the Meeting.

2. Amendment to Stock Option Plan

Matrikon recently changed its blackout policy so that employees are not permitted to exercise options during a trading blackout period. As blackout periods are of varying length and may occur at unpredictable times, stock options may expire during a blackout and the employee would not be able to exercise them. In addition, under the plan, directors and senior officers forfeit unexercised options immediately upon leaving office.

As a result, the board proposes modifications to the stock option plan that would allow the board to extend the expiry date of options expiring while a blackout period is in effect to 30 days following the lifting of the blackout, and to extend the time frame for directors and officers to exercise options for 30 days after they leave office. However, any employee, officer, or director who is terminated for cause will still immediately forfeit any options held at the time of termination, whether during a blackout period or not.

At the meeting, you will be asked to vote in favour of the following resolution, with or without variation, to amend the Stock Option Plan. To be adopted, the resolution must be approved by a majority of votes cast on the question:

BE IT RESOLVED THAT:

Subject to regulatory approval, Matrikon's Stock Option Plan be amended substantially as follows:

Sections 6.1 and 6.2 are deleted and replaced with the following provisions:

- 6.1 Subject to Section 6.2 hereof, and to any express resolution passed by the Board with respect to an Option, an Option, and all rights to purchase Shares pursuant thereto, shall expire and terminate:
- (a) immediately upon an Optionee who is an employee or consultant of the Corporation or of any Subsidiary, ceasing to be an employee or consultant of the Corporation or of any Subsidiary, or
 - (b) thirty days after an Optionee who is a director or officer of the Corporation or of any Subsidiary, ceases to be a director or officer of the Corporation or of any Subsidiary.
- 6.2 If, before the expiry of an Option in accordance with the terms thereof, an Optionee dies, the legal personal representative(s) of the estate of such Optionee may exercise such Option during the first 90 days following the death of the Optionee (but prior to the expiry of the Option in accordance with the terms thereof).

Section 5.10, being a new section, is added as follows:

- 5.10 In respect of Options that would otherwise expire unexercised during a period of blackout in which Optionees are forbidden by the policies of the

Corporation to exercise Options ("Blacked-Out Options"), the Board may by resolution extend, for a period of thirty days following the end of the blackout, the period of time during which Blacked-Out Options may be exercised (the "Extension Period"). If one or more subsequent periods of blackout are imposed during an Extension Period, the number of days remaining in the Extension Period which were subject to the one or more subsequent periods of blackout shall be added to the term of the Blacked Out Options following the end of the subsequent blackout period or periods. For purposes of clarity, only one Extension Period may be added to the term of an Option.

3. Proposed Long Term Compensation Plan

At the meeting, you will be asked to vote in favour of the adoption of a new long term compensation plan that is based on the issuance of restricted share units (RSUs) that over time will be converted to common shares. The board proposes that grants under the RSU Plan will generally replace future grants of stock options to directors and employees under the stock option plan.

In this way, no more shares would be available to be granted under the RSU Plan than are currently available to be optioned under the existing Stock Option Plan. This means that the adoption of the RSU Plan will not result in increased dilution of existing shareholders. One difference though is that RSUs will be granted in recognition of valuable services provided to the company and the company will receive no additional cash compensation for RSUs granted. Under the stock option plan, upon exercise of an option, the holder pays the company the option price per share for shares issued.

Under the proposed RSU Plan, RSUs may vest up to three years after being granted. Upon vesting, the holder may elect to take one common share per RSU or to further defer obtaining shares by converting each RSU to a deferred share unit that will convert to a common share when the holder retires or otherwise leaves the company.

At the meeting, you will be asked to vote in favour of the following resolution, with or without variation, to adopt the RSU Plan. To be adopted, the resolution must be approved by a majority of votes cast on the question:

BE IT RESOLVED THAT:

Subject to regulatory approval, the creation of the Restricted Share Unit Plan, substantially in the form as described in this information circular dated October 21, 2005 is hereby approved.

4. Amendment of the Articles of Amalgamation

From time to time, management and the board of directors of Matrikon may identify new areas where additional expertise at the board level would be beneficial to the corporation. As well, from time to time, the board may identify individuals who are desirable candidates for director, generally and/or for his or her specific expertise. Unfortunately, these situations do not always occur in accordance with the scheduling of annual shareholder meetings and, as a result, candidates for the board who possess the desired expertise

cannot be appointed until the next annual shareholder meeting and sometimes, due to timing conflicts, not at all.

If so authorized by the Articles of the Corporation, the Business Corporations Act (Alberta) (the "ABCA") permits existing directors to appoint one or more additional directors of a corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last annual meeting of the corporation. The current Articles of Matrikon do not provide this flexibility. The board of directors of Matrikon propose that the Articles of Amalgamation of Matrikon be amended to permit the appointment of additional directors between annual shareholder meetings in accordance with ABCA.

At the meeting, you will be asked to vote in favour of the following special resolution, with or without variation:

RESOLVED AS SPECIAL RESOLUTION THAT:

Pursuant to section 173 of the Business Corporations Act (Alberta), article 4 of the Articles of Amalgamation of Matrikon Inc. be and is hereby amended by adding the following:

"Subject to the foregoing, the directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting but the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last annual meeting of the Corporation."

Proxies in favour of management will be voted **FOR** the resolution to amend the Articles of Matrikon unless you have specified that your shares are to be voted against this resolution.

For a special resolution to be implemented, the foregoing resolution must be passed, with or without variation, by at least two-thirds of the holders of the shares present in person or by proxy at the Meeting.

5. Election of Directors

The eight (8) nominees proposed for election as directors of Matrikon are listed on page 7. Seven (7) of the nominees are

currently directors of Matrikon. The proposed new director is Amin Rawji, Matrikon's current President & CEO effective December 9, 2005.

The Articles of Matrikon require a minimum of 3 and a maximum of 15 directors.

Once elected, directors will hold office until the next annual meeting of shareholders or until their successors are elected or appointed.

If any of the nominees is for any reason unable to serve as a director at the time of the meeting, proxies in favour of management will be voted **For** another nominee at management's discretion unless you have specified that your shares are to be withheld from voting in the election of directors.

Management has no reason to believe that any nominee will be unable to serve as director.

6. Appointment of Auditors

The Board of Directors propose that KPMG, LLP be appointed as Matrikon's independent auditors for the 2006 fiscal year. KPMG, LLP have been Matrikon's auditors since March 29, 2001.

You will be asked at the Meeting to vote in favour of the appointment of KPMG, LLP, of Edmonton, Alberta, as Matrikon's auditors for the 2006 fiscal year and to authorize the directors to fix their remuneration.

The persons designated in the enclosed form of proxy intend to vote **For** the re-appointment of KPMG, LLP as Matrikon's auditors, unless instructed otherwise.

Interest of Certain Persons in Matters to be Acted Upon

None of Matrikon's directors or senior officers, or any associate or controlled corporation of any such person, has any direct or indirect material interest in any of the matters to be acted upon at the Meeting other than the election of directors, the amendments to the stock option plan and the approval of the proposed RSU plan which, if adopted, will apply to directors and senior officers.

Nominees for Election to the Board of Directors



Hugh J. Bolton, FCA
Edmonton, Alberta, Canada

Director Since:..... March 29, 2001

Independent – Chairman of the Board (will become Lead Director upon Nizar J. Somji becoming Chairman, subject to shareholder re-election of nominees and board approval)

FY2005 Meeting Attendance: 100%

FY2005 Director Compensation: .. \$50,000

Common Shareholdings: 16,439

Change from 2004:nil

Meets minimum shareholding requirement

Matrikon Board Committees:

Compensation & Governance Committee

Principal Occupation:

Chairman of EPCOR Utilities Inc. (Electric & Water Utility)

Recent Business Experience:

Mr. Bolton retired as Chairman and CEO of Coopers & Lybrand Canada in 1998 after a 40-year career with Coopers & Lybrand (now PricewaterhouseCoopers) and predecessor firms.

Other Directorships:

EPCOR Utilities Inc. (Chairman), EPCOR Preferred Equity Inc. (Chairman), Teck Cominco Limited, The Toronto Dominion Bank, The Canadian National Railway Company, WestJet Airlines Ltd., Alberta Shock Trauma Air Rescue Society

Stock Options:

Options	Price	Grant	Exercisable	Expiry	Exercised
50,000	1.90	6-Jun-01	6-Jun-01	6-Jun-06	-
10,000	2.01	19-Jul-02	19-Jul-03	19-Jul-08	-
10,000	1.85	22-Apr-03	22-Apr-04	22-Apr-09	-
10,000	2.89	19-May-04	19-May-05	19-May-10	-
10,000	4.15	28-Apr-05	28-Apr-06	28-Apr-11	-



C. Kent Jespersen
Calgary, Alberta, Canada

Director Since:.....March 29, 2001

Independent

FY2005 Meeting Attendance:83%

FY2005 Director Compensation: . \$27,500

Common Shareholdings:66,258

Change from 2004:+26,210

Meets minimum shareholding requirement

Matrikon Board Committees:

Compensation & Governance Committee (Chair)

Principal Occupation:

Chairman, La Jolla Resources International Ltd. (Advisory & Investments)

Recent Business Experience:

Mr. Jespersen is the Chairman and Chief Executive Officer of La Jolla Resources Int'l. Ltd. and has held senior executive positions with several energy resource companies, including serving as President at NOVA Gas International and Foothills Pipe Lines and as Senior Vice President at Husky Oil.

Other Directorships:

Geac (Chairman), Axia Netmedia, CCR Technologies Inc. (Chairman); Telesystem International Wireless (Lead Director), TransAlta Corporation

Stock Options:

Options	Price	Grant	Exercisable	Expiry	Exercised
50,000	1.90	6-Jun-01	6-Jun-01	6-Jun-06	-
10,000	2.01	19-Jul-02	19-Jul-03	19-Jul-08	-
10,000	1.85	22-Apr-03	22-Apr-04	22-Apr-09	-
10,000	2.89	19-May-04	19-May-05	19-May-10	-
10,000	4.15	28-Apr-05	28-Apr-06	28-Apr-11	-



David Kramer, CFA
Vancouver, British Columbia, Canada

Director Since:.....January 20, 2004

Independent

FY2005 Meeting Attendance: 100%

FY2005 Director Compensation: . \$25,000

Common Shareholdings: 122,200

Change from 2004:+100,000

Meets minimum shareholding requirement

Matrikon Board Committees:

Audit Committee

*includes 100,000 common shares held by associates or affiliates

Principal Occupation:

Independent Analyst

Recent Business Experience:

Mr. Kramer is an independent financial analyst with extensive experience researching software and technology companies.

Other Directorships:

None

Stock Options:

Options	Price	Grant	Exercisable	Expiry	Exercised
50,000	2.89	19-May-04	19-May-04	19-May-09	-
10,000	4.15	28-Apr-05	28-Apr-06	28-Apr-11	-

**Robert Moore, Ph.D.**

Tustin, California, USA

Director Since:.....March 29, 2001

Independent

FY2005 Meeting Attendance:96%

FY2005 Director Compensation:US\$19,200

Common Shareholdings:62,952

Change from 2004:+2,167

Meets minimum shareholding requirement

Matrikon Board Committees:

Audit Committee

Principal Occupation:

President, CalVentureTech LLC (Early-stage Business Development & Investment)

Recent Business Experience:

Dr. Moore is Finance Director for Tech Coast Angels in Orange County, California and President of Calventuretech LLC. Dr. Moore was a Founder and President of Gensym Corporation, a public company in Massachusetts.

Other Directorships:

Bluebeam Software Inc., Digital Performance Inc.

Stock Options:

Options	Price	Grant	Exercisable	Expiry	Exercised
50,000	1.90	6-Jun-01	6-Jun-01	6-Jun-06	-
10,000	2.01	19-Jul-02	19-Jul-03	19-Jul-08	-
10,000	1.85	22-Apr-03	22-Apr-04	22-Apr-09	-
10,000	2.89	19-May-04	19-May-05	19-May-10	-
10,000	4.15	28-Apr-05	28-Apr-06	28-Apr-11	-

**Michael B. Percy, Ph.D.**

Edmonton, Alberta, Canada

Director Since:.....March 29, 2001

Independent

FY2005 Meeting Attendance:90%

FY2005 Director Compensation: . \$25,000

Common Shareholdings:23,700

Change from 2004: nil

Meets minimum shareholding requirement

Matrikon Board Committees:

Compensation & Governance Committee

Principal Occupation:

Dean of the Faculty of Business, University of Alberta (Education)

Recent Business Experience:

Dr. Percy is the Dean of the School of Business at the University of Alberta and has been with the University since 1979. Dr. Percy is an active researcher and commentator on a variety of public policy issues.

Other Directorships:

EPCOR Utilities Inc., Timber Investments Ltd., Institute of Certified Management Consultants of Alberta

Stock Options:

Options	Price	Grant	Exercisable	Expiry	Exercised
50,000	1.90	6-Jun-01	6-Jun-01	6-Jun-06	50,000
10,000	2.01	19-Jul-02	19-Jul-03	19-Jul-08	10,000
10,000	1.85	22-Apr-03	22-Apr-04	22-Apr-09	10,000
10,000	2.89	19-May-04	19-May-05	19-May-10	-
10,000	4.15	28-Apr-05	28-Apr-06	28-Apr-11	-

**Amin Rawji**

Edmonton, Alberta, Canada

Director Since:..... new nominee

Management

Common Shareholdings:800,665

Change from 2004:+20,000

Meets minimum shareholding requirement

Principal Occupation:

President of Matrikon (Industrial Technology)

Principal Occupations for the Preceding Five Years:

Mr. Rawji joined Matrikon in 1998 as manager of the Industrial Connectivity Division. Over the next three years, Mr. Rawji transformed the division from a six person \$350,000 group into a 20 person, \$3 million group, making it one of the company's most profitable divisions.

Mr. Rawji became Executive Vice President in 2001. His career at Matrikon has included senior appointments in product development, the services division and sales and marketing.

Effective December 9, 2005, Amin Rawji will become Chief Executive Officer of Matrikon, subject to board approval.

Other Directorships:

St. Joseph's College Board of Governors

Stock Options:

None



Janice G. Rennie, FCA
Edmonton, Alberta, Canada

Director Since: January 21, 2003
Independent
FY2005 Meeting Attendance:88%
FY2005 Director Compensation: : \$27,500
Common Shareholdings: 14,781
Change from 2004:+181
Meets minimum shareholding requirement

Matrikon Board Committees:
Audit Committee (Chair)

Principal Occupation:

Independent Director and Business Advisor (Business Consulting)

Recent Business Experience:

Mrs. Rennie has held senior management positions with a number of companies including, most recently, Senior Vice President of Human Resources and Organizational Effectiveness at EPCOR Utilities Inc., a company on whose board she served for ten years. Prior to that she was Principal of Rennie & Associates, which operated a number of business interests. She has held senior management positions with a number of companies including President of Research Technology Management Inc. and Bellanca Developments Ltd. and Senior Vice President of Princeton Developments Ltd., all private companies.

Other Directorships:

Canadian Hotel Income Properties, Greystone Capital Management Inc., West Fraser Timber Co. Ltd.

Stock Options:

Options	Price	Grant	Exercisable	Expiry	Exercised
50,000	1.85	22-Apr-03	22-Apr-04	22-Apr-09	-
10,000	2.89	19-May-04	19-May-05	19-May-10	-
10,000	4.15	28-Apr-05	28-Apr-06	28-Apr-11	-



Nizar J. Somji, P.Eng.
Edmonton, Alberta, Canada

Director Since: March 29, 2001
Management
FY2005 Meeting Attendance: 100%
FY2005 Director Compensation: Nil
Common Shareholdings: 10,602,786*
Change from 2004:-2,525,000
Meets minimum shareholding requirement

Matrikon Board Committees:
None

*includes 711,576 common shares held by associates or affiliates

Principal Occupation:

CEO of Matrikon (Industrial Technology) (Effective December 9, 2005, Mr. Somji will cease to be CEO and will become chairman of the board, subject to board approval)

Recent Business Experience:

Mr. Somji is the founder and CEO of Matrikon Inc. He is a frequent guest speaker for industry associations and business groups and regularly contributes to a variety of publications. Mr. Somji was the recipient of the Dr. Charles Allard Chair in Business at Grant MacEwan College in 2002.

Other Directorships:

Platform Resources Inc., Optimal Geomatics Inc., CARE Canada, SME (Small and Medium Sized Enterprises) Task Force on International Trade

Stock Options:

None

Board of Directors

Director Compensation

As at October 14, 2005, Matrikon has 8 directors, including 7 independent directors and one executive director. Matrikon defines independent directors according to the definition contained in Multilateral Instrument 52-110 Section 1.4.

Director compensation is paid only to directors who are not employees of or consultants to Matrikon, thus, Mr. Somji does not receive compensation as a director.

Director compensation was structured as follows in fiscal year 2005:

- *Annual director retainer:*
\$12,500 per year
- *Annual board chair retainer:*
\$25,000 per year (in addition to the annual director retainer)
- *Board meeting fee:*
\$12,500 per year
- *Committee chair fee:*
\$2,500 per year (in addition to the annual director retainer)

Directors who do not reside in Canada are paid the annual director retainer and annual board meeting fees in equivalent US dollars.

Matrikon also reimburses directors for related travel and out-of-pocket expenses.

Total compensation paid to all directors during the fiscal year ended August 31, 2005 was \$205,000.

Non-Employee Director Compensation in 2005

Director	Annual Director Retainer	Board Meeting Fee	Committee Chair Fee	Travel & Other Expenses	Total
Hugh Bolton	37,500 ¹	12,500	-	1,520	51,520
Kent Jespersen	12,500	12,500	2,500	2,844	30,344
David Kramer	12,500	12,500	-	2,950	27,950
Robert Moore	12,500	12,500	-	4,608	29,608
Michael Percy	12,500	12,500	-	-	25,000
Janice Rennie	12,500	12,500	2,500	380	27,880
John Zaozirny ²	12,500	12,500	-	2,275	27,275

Note:

¹ Mr. Bolton received an additional \$25,000 for the chair retainer

² Mr. Zaozirny will be retiring from Matrikon's board effective December 9, 2005

Directors' Shareholdings Requirements

To ensure that director interests are aligned with shareholders' interests, Matrikon's directors are required to own the dollar value equivalent of three (3) times their annual director retainer in shares after a period of three years on the Board. As of October 14, 2005, all directors owned the equivalent of at least three (3) times their annual director retainer in Matrikon shares.

Shareholdings of Non-Executive Directors as at October 14, 2005

	Number	Value ¹
Common Shares	387,045	\$1,625,589
Options	510,000	\$903,200

Note:

¹ Based on closing price of Matrikon shares on October 14, 2005 and taking into account only options that are currently exercisable

Director Stock Options

Newly appointed or elected directors receive grants of options to purchase shares, in an amount to be decided by the Board and presently set at 50,000. Directors also receive annual grants of options in an amount determined by the Board and presently set at 10,000 per year.

These stock options are only available to non-executive directors.

The exercise price for options is set at the closing market price of Matrikon's common shares on the day they are granted unless a trading blackout is in effect on the day of grant. In this case, the exercise price is set at the closing market price of Matrikon's common shares on the day following the lifting of the trading blackout.

In 2005, each director received options for 10,000 common shares at an exercise price of \$4.15, exercisable on April 28, 2006 and expiring April 28, 2011.

Non-Executive Director Equity Ownership Summary

Director	As at 14-Oct-05		As at 14-Oct-04		Net Change		Market Value ¹ (14-Oct-05)
	Common Shares	Options	Common Shares	Options	Common Shares	Options	Total
Hugh Bolton	16,439	90,000	16,439	80,000	-	+10,000	\$242,544
Kent Jespersen	66,258	90,000	40,048	80,000	+26,210	+10,000	\$341,702
David Kramer	122,200 ²	60,000	22,200	50,000	+100,000	+10,000	\$578,740
Robert Moore	62,952	90,000	60,785	80,000	+2,167	+10,000	\$437,898
Michael Percy	23,700	20,000	23,700	60,000	-	-40,000	\$112,640
Janice Rennie	14,781	70,000	14,600	60,000	+181	+10,000	\$192,680
John Zaozirny	80,715	90,000	80,505	80,000	+210	+10,000	\$512,503

Note:

1 Based on closing price of Matrikon shares on October 14, 2005. Market value includes the value of common shares held and the in the money value of options.

2 Includes 100,000 common shares held by associates or affiliates

Independence and Board Committees

Director independence is determined based on the guidelines of Multilateral Instrument 52-110 Section 1.4.

Seven of Matrikon's eight directors for 2005 were independent. With the proposed director nominees for 2006, six of eight directors will be independent.

All committees are made up entirely of independent outside directors.

Director	Audit Committee	Compensation & Governance Committee
Independent Outside Directors		
Hugh Bolton		✓
Kent Jespersen		✓
David Kramer	✓	
Robert Moore	✓	
Michael Percy		✓
Janice Rennie	✓	
John Zaozirny		✓
Management Directors (no committee membership)		
Nizar Somji	Not independent: CEO and former president of Matrikon	
Amin Rawji (proposed)	Not independent: president of Matrikon	

Summary of Board and Committee Meetings Held

For the fiscal year ended August 31, 2005

Meeting Type	In Person Meetings	Conference Calls	In Camera Sessions ²
Board	5 ¹	9	3
Audit Committee	4	6	3
Compensation & Governance Committee	3	1	3

Note:

1 Includes two-day strategic planning session

2 Meetings held without management present

Summary of Director Attendance at Meetings

For the fiscal year ended August 31, 2005

Director	Board meetings attended	Committee meetings attended	% attendance
Hugh Bolton	14 of 14	4 of 4	100%
Kent Jespersen	12 of 14	3 of 4	83%
David Kramer	14 of 14	10 of 10	100%
Robert Moore	14 of 14	9 of 10	96%
Michael Percy ¹	14 of 14	5 of 7	90%
Janice Rennie	13 of 14	8 of 10	88%
Nizar Somji	14 of 14	-	100%
John Zaozirny	13 of 14	4 of 4	94%

Note:

1 Michael Percy moved from the Audit Committee to the Compensation & Governance Committee effective November 9, 2004.

Interlocking Directorships

Two directors of Matrikon also share directorship on the board of EPCOR Utilities Inc.: Hugh Bolton and Michael Percy. In addition, Janice Rennie was a former director of EPCOR Utilities Inc.

The board does not view this interlock as an impairment to the individual directors ability to exercise independent judgment.

Charter of Expectations for the Board and Individual Directors

Matrikon has adopted a *Charter of Expectations for the Board and Individual Directors* which sets out specific responsibilities to be discharged by Matrikon's directors and the individual roles expected of them.

The following is a summary of the Charter. The full text of the Charter is available online at www.matrikon.com/investors or via fax or mail by request (see Additional Information).

Managing the business and affairs of the Corporation

The Board delegates authority to the CEO to provide Matrikon with day-to-day leadership and management.

The Board has established two committees to provide more detailed review and oversight of important areas of responsibility. These committees are the Audit Committee and the Compensation and Governance Committee. The Board is responsible for appointing directors to these committees, and establishing and periodically reviewing their terms of reference. (See Audit Committee Report and Compensation and Governance Committee Report.)

The Board has implemented a process to evaluate its performance and effectiveness in fulfilling its responsibilities.

Other responsibilities of the Board include:

- Implementing a process for new director orientation
- Periodic review of the composition of the Board
- Appointing the Chairman and Secretary of the Board
- Establishing and enforcing a Board and Corporate confidentiality policy
- Implementing corporate governance policies to fulfil the Board's responsibilities for oversight and control

Strategy and plans

Matrikon's Board is responsible for ensuring that the company develops and implements a strategic business plan. The Board fulfils this responsibility by participating in the strategic planning process with management, including one two-day board meeting each year specifically dedicated to reviewing and approving the strategic plan.

With respect to strategic plan oversight, the Board also:

- Oversees management's implementation of the strategic plan
- Evaluates management's performance against the strategic plan
- Reviews and approves Matrikon's financial objectives
- Approves the organization of significant business units
- Monitors Matrikon's progress towards its goals

Management and human resources

The Board has responsibility for the appointment, termination and succession of the CEO, establishing CEO compensation, monitoring and reviewing CEO performance against written objectives, providing advice and counsel to the CEO, and approving decisions related to corporate officers. The Board also ensures that succession plans are in place and approves certain matters related to all employees, including the annual compensation policy for employees, and new benefit programs or material changes to existing programs.

Business and risk management

The Board monitors Matrikon's performance against its strategic, operating and capital plans and financial budgets and assesses whether the company is meeting its objectives.

The Board ensures that management identifies the principal risks facing Matrikon, implements systems to manage these risks, and regularly reports on them to the Board to determine whether Matrikon has achieved an appropriate balance between risk and reward.

The Board receives an annual report from management on matters relating to proper financial accounting, reporting and disclosure, employee health and safety and related party transactions.

Financial and corporate issues

The Board monitors the implementation and integrity of Matrikon's internal control and management information systems, monitors operational and financial results, approves annual and quarterly financial statements, meets regularly with and receives reports from Matrikon's independent Auditors, approves significant debt and equity financing, reviews material corporate insurance policies, reviews the commencement or settlement of litigation that is expected to have a material impact on the company, and recommends the appointment of external auditors to shareholders.

Shareholder and corporate communications

The Board ensures that management has appropriate policies in place to facilitate effective communication processes, satisfy continuous disclosure requirements and ensure that financial results and other material events are reported on a timely basis.

Corporate policies and procedures

The Board approves and monitors Matrikon's policies, which are intended to ensure compliance with the laws, regulations, agreements, policies and procedures, including but not limited to: a code of business conduct, continuous disclosure, conflict of interest, insider trading, computer usage and confidentiality. The Board also directs management to ensure appropriate corporate record keeping is in place.

Individual Director Expectations

The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for business acumen and integrity. Potential new directors are assessed on their individual qualifications as well as skill and experience in the context of the needs of the Board.

The Charter stipulates the personal and professional characteristics expected of directors, including:

- high ethical standards and integrity in their personal and professional dealings
- a willingness to act upon and remain accountable for their boardroom decisions
- wise and thoughtful counsel to the Board and management on a broad range of issues
- depth of knowledge to understand and question the assumptions upon which the strategic and business plans are based
- a reasonable level of financial literacy (know how to read financial statements and understand the use of financial ratios)
- respect for confidentiality
- willingness to be available as a resource to management and the Board
- respect for others

Individual directors are also expected to:

- prepare for each Board and committee meeting
- maintain an excellent Board and committee meeting attendance record (attendance of less than 80% without extenuating circumstances would create considerable concern)
- participate fully and frankly in Board deliberations and discussions
- demonstrate willingness to listen to others' opinions and consider them
- be willing to raise tough questions in a manner that encourages open discussion
- establish an effective, independent and respected presence on the Board and a collegial relationship with other directors
- focus inquiries on issues related to strategy, policy and results rather than day to day issues of corporate management
- think, speak and act independently
- be willing to risk rapport with the Chair and other directors in taking a reasoned, independent position

- participate on committees and become knowledgeable about the duties, purpose and goals of each committee
- become knowledgeable about Matrikon's business and the industry it operates in
- participate in director orientation and development programs
- maintain a current understanding of the regulatory, legislative, business, social and political environments in which Matrikon operates
- become acquainted with Matrikon's senior managers
- visit Matrikon's offices when appropriate

Other Matters

With respect to retirement, the Board does not favour term limits, but monitors the overall performance of the Board annually. The Compensation and Governance Committee reviews each directors' continuation on the Board every year.

A director is elected as Chair of the Board each year. If the director elected as Chair is not independent, a Lead Director is appointed.

Board performance is assessed annually to determine whether it is functioning effectively.

The annual assessment process examines the effectiveness of the Board as a whole and specifically reviews areas that the Board believe could be improved to ensure the continued effectiveness of the Board in the execution of its responsibilities. A questionnaire addressing Board responsibility, operations, communications and effectiveness is completed by each director.

The Chairman of the Board compiles the results of the surveys and interviews each director to discuss individual concerns. A separate evaluation of the Board Chairman is conducted by the chair of the Compensation and Governance committee and includes individual interviews with each director.

Board members have complete and open access to Matrikon's CEO, CFO and General Counsel and to all other members of management.

The Board and each committee have the power to hire independent legal, financial or other advisors at Matrikon's expense as it deems necessary. Prior approval from Matrikon is not required.

The Board will have at all times an Audit Committee and a Compensation and Governance Committee. Each of these committees shall consist solely of independent directors.



Janice Rennie (Chair), Robert Moore, David Kramer

Audit Committee Report

The Audit Committee, on behalf of the Board of Directors, has oversight responsibility for Matrikon's financial reporting processes and the quality of the company's financial reporting. The Committee has a written charter that describes the Committee's objectives and how it operates.

Since November 9, 2004, the Audit Committee consisted of three members:

- Janice Rennie
- Robert Moore
- David Kramer

Each member of the Audit Committee is considered by the Board of Directors to be "independent" and "financially literate" within the meaning of Multilateral Instrument 52-110 – Audit Committees.

Relevant Education & Experience of Audit Committee Members

Committee Member	Relevant Education & Experience
Janice Rennie CHAIR	Mrs. Rennie is a Chartered Accountant. She has served as an executive including both operations and financial roles in a number of private and public companies. In these roles, Mrs. Rennie has actively supervised persons engaged in preparing, auditing, analyzing or evaluating financial statements. In addition, Mrs. Rennie has served on and chaired a number of Audit committees of public companies.
Robert Moore	Dr. Moore acquired significant financial experience and exposure to accounting and financial issues while serving for 13 years as Co-Founder, President and Director of Gensym Corporation, a USA-based public company. Dr. Moore is also Finance Director for Tech Coast Angels in Orange County, California.
David Kramer	Mr. Kramer is a CFA charterholder. Mr. Kramer acquired experience in corporate financial statement review and analysis in his capacity as equity research analyst with a Canadian bank-owned investment dealer.

Audit Committee Charter

The Audit Committee charter is summarized below. The full text of the charter is attached as Appendix 3.

The Audit Committee approves, monitors, evaluates, advises and makes recommendations to the Board on matters affecting the external audit and the financial reporting and accounting control policies and practices of Matrikon. In addition, the committee has oversight responsibility with respect to management's duties regarding Matrikon's financial risks.

During fiscal 2005, the Audit Committee met 10 times (four in person meetings, six teleconferences). Each of these in person meetings included the external auditors, the Chief Financial Officer and General Counsel. At three in person meetings, the Audit Committee met with the auditors without management present and with management without the auditors present.

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certified certain information in the consolidated financial statements and related disclosure materials as required by Canadian securities regulators.

In fulfilling its mandate and responsibilities, the Audit Committee focuses on three areas:

Financial Reporting

The Audit Committee performs:

- A review with management and the external auditors of:
 - the appropriateness of Matrikon's accounting and financial reporting practices
 - any significant new or pending developments in accounting and reporting standards and how they will impact Matrikon
 - the integrity of Matrikon's internal control and management information systems
 - the key estimates and judgments of management that may be material to Matrikon's financial reporting
- A review of the annual audited financial statements, the financial content and the management's discussion and analysis section of the annual report, the management information circular and proxy materials, the annual information form, and the quarterly financial statements and earnings releases and recommends their approval to the Board.

External Auditors

The Audit Committee:

- Assesses the performance and considers the annual appointment of external auditors for recommendation to the Board for ultimate recommendation for appointment by the shareholders, including a review of the auditor's performance, qualifications, independence, audit plans and fees.
- Pre-approves all non-audit services provided by the external auditors or its affiliates and considers any potential impact the non-audit service may have on the independence of the external audit work.
- Reviews the results of the annual audit examination with the external auditors and meets with the external auditors without management present at most in person meetings.
- Receives annual reports from the external auditor on its views of the quality (not just the acceptability) of Matrikon's annual and interim financial reporting.

Risk Management

The Audit Committee oversees management's identification of Matrikon's principal financial risks and uncertainties and the systems used to minimize these risks.

In 2005, the Audit Committee reviewed the methodology Matrikon employed in its disclosure controls. The Audit Committee was also given a presentation by Matrikon's insurance provider to review the company's insurance policies and consider the effectiveness and adequacy of the policies.

(signed)

Janice Rennie

Chair, Audit Committee

Auditors

KPMG, LLP have been Matrikon's Auditors since March 29, 2001. In addition to performing the audit of Matrikon's consolidated financial statements, KPMG, LLP provided other services to the company and its subsidiaries as follows:

	2005	2004	2003
Audit fees	\$ 127,285	\$ 126,182	\$ 89,158
Audit related fees	58,200	43,062	50,535
Tax fees	-	-	9,000
All other fees	47,950	6,000	1,305
Total	\$ 233,435	\$ 162,344	\$ 149,998

'Audit related fees' include fees for the review of the quarterly financial statements and management's discussion and analysis. 'Tax fees' include tax compliance services and tax advisory and planning services. 'Other fees' include acquisition review fees and disclosure controls documentation workshop.

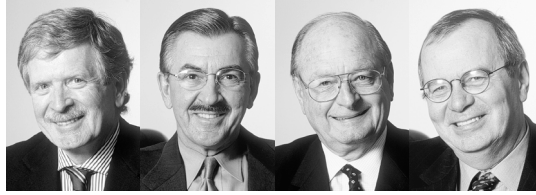
All services provided by the Auditors, including non-audit related services, are subject to preapproval by the Audit Committee through established procedures. Matrikon's chief financial officer (CFO) discusses proposed non-audit related services to be performed by KPMG with the chair of the Audit Committee. If the amount is immaterial and will not otherwise interfere with the independence of the auditors, the Chair approves the services and the CFO reports to the Audit Committee on these services at the next regularly scheduled committee meeting. If the amount of the proposed services is material, a special Audit Committee meeting is convened to discuss the proposed service and the preapproval is put to a vote. Management regularly updates the Committee on the services rendered by the Auditors.

The Audit Committee has reviewed other services provided by the Auditors and has determined that they do not interfere with the independence of the Auditors. Other accounting firms provide most non-Audit services.

The Auditors, Audit Committee and management maintain regular and open communication in relation to the audit of Matrikon's financial statements. There were no disagreements between the Auditors, the Audit Committee and management on matters affecting the audit of Matrikon's financial statements.

In addition, the Auditors reviewed and discussed Matrikon's unaudited 2005 quarterly financial statements and earnings releases with management and the Audit Committee.

The Audit Committee meets with the Auditors without management present at most in person Committee meetings.



Kent Jespersen (Chair), John Zaozirny, Hugh Bolton, Michael Percy

Compensation and Governance Committee Report

The Compensation and Governance Committee focuses on ensuring that human resources strategies support Matrikon's objectives and sustain shareholder value and on measuring Board performance with respect to governance standards.

The Compensation and Governance Committee is responsible for reviewing compensation levels of senior management, for succession planning for the Chief Executive Officer and for providing advice to the Board concerning the general oversight of compensation and governance matters.

The committee also acts as the Nominating Committee and assists the Board in identifying individuals qualified to become Board members and recommending director nominees.

The Compensation and Governance committee is composed of four independent directors.

During fiscal 2005, the Compensation and Governance Committee met four times (three in person meetings and one teleconference). A portion of each in person meeting was held without management present.

In fulfilling its mandate and responsibilities, the Compensation and Governance Committee focuses on three areas:

Compensation

The committee is responsible for determining the compensation of all senior officers of Matrikon and regularly discusses personnel and human resources matters, including recruitment and development, management succession and benefit plans.

The Compensation and Governance Committee:

- Conducts an annual review of Matrikon's officers' salaries, the general salary structure and employee benefits plans, including the stock option and employee stock purchase plan.
- Reviews incentive bonus arrangements for senior officers.
- Ensures compliance with compensation disclosure requirements and approves the report on executive compensation for the Management Information Circular.
- Reviews the adequacy of director compensation and ensures that it realistically reflects the responsibilities and risk involved in being an effective director.
- Reviews senior officer performance and succession plans with the Board annually.

Corporate Governance

The Committee is responsible for reviewing and making recommendations to the Board with respect to developments

in the area of corporate governance and the practices of the Board, including:

- Ensuring the annual adoption of a corporate strategy and a strategic planning process
- Adopting the corporate objectives that are the responsibility of the CEO
- Ensuring that Matrikon's disclosure policy facilitates effective communication and satisfies continuous disclosure requirements
- Ensuring that each Board Committee annually reviews its scope and responsibilities
- Ensuring that appropriate orientation and education programs are provided to new directors
- Undertaking an annual assessment of the effectiveness of the Board, the Board Chairman, and the committees of the Board and reporting the findings to the Board. The assessment process examines the effectiveness of the Board as a whole and specifically reviews areas that the Board believe could be improved to ensure the continued effectiveness of the Board in the execution of its responsibilities. A questionnaire addressing Board responsibility, operations, communications and effectiveness is completed by each director. The Chairman of the Board compiles the results of the surveys and interviews each director to discuss individual concerns. A separate evaluation of the Board Chairman is conducted by the chair of the Compensation and Governance committee and includes individual interviews with each director.
- Reviewing and making recommendations to the Board on significant corporate governance issues relating to functional and operational matters, including monitoring the development and maintenance of Matrikon's approach to governance issues, considering new guidelines, and reviewing the description of Matrikon's corporate governance procedures in the annual report and Information Circular
- Monitoring and reviewing Matrikon's Health, Safety and Environment (HSE) policies to ensure they are being effectively implemented

A description of Matrikon's corporate governance practices under National Instrument 58-101 is provided in Appendix 1.

Nominations

The Committee considers the composition of the Board annually and prepares recommendations for director nominees. In this process, the views and recommendations of the Board Chairman, the Chief Executive Officer, and all directors are sought and considered.

Executive Compensation

Summary Compensation Table for Named Executive Officers

Compensation for the Chief Executive Officer, the Chief Financial Officer, the next three most highly compensated executive officers (the Named Executive Officers) is summarized in the following table.

Name	Fiscal Year	Annual Compensation			Long-Term Compensation	All Other Compensation (\$)
		Salary (\$)	Bonus/Commissions (\$)	Other Annual Compensation (\$)	Securities Under Options Granted (# of Common Shares)	
Nizar J. Somji Chief Executive Officer ⁶	2005	180,000	351,023	NIL	NIL	NIL
	2004	180,000	125,628	NIL	NIL	NIL
	2003	180,000	248,726	NIL	NIL	NIL
Amin Rawji President ⁵	2005	150,000	404,611	NIL	NIL	NIL
	2004	150,000	152,612	NIL	NIL	NIL
	2003	150,000	298,273	NIL	NIL	6,000 ²
Nimal Rodrigo Chief Financial Officer ⁴	2005	132,500	23,012	NIL	100,000	NIL
Shafin U. Kanji Executive Vice President, Operations ³	2005	150,000	162,156	NIL	NIL	8,803 ⁷
	2004	150,000	63,288	NIL	NIL	9,567 ²
	2003	150,000	69,643	NIL	100,000	NIL
Ian Brown Managing Director, Europe ^{1,8}	2005	170,877	429,480	NIL	NIL	NIL
	2004	45,743	92,510	NIL	NIL	NIL

Notes:

- 1 Mr. Brown is paid in Euros, the amounts in the table are the converted amounts based on the average exchange rate over the period.
- 2 Messrs. Rawji and Kanji received common shares (3,000 and 3,243 respectively) under Matrikon's Employee Share Ownership Program in 2003.
- 3 Mr. Kanji was Chief Financial Officer from September 1999 until October 31, 2004. Effective November 1, 2004, Mr. Kanji was promoted to Executive Vice President, Operations.
- 4 Mr. Rodrigo joined Matrikon on October 13, 2004.
- 5 Mr. Rawji was Executive Vice President from 2000 until July 17, 2005 when he was promoted to President. Effective December 9, 2005, Amin Rawji will also be Chief Executive Officer (subject to board approval).
- 6 Effective December 9, 2005, Mr. Somji will step down as Chief Executive Officer and become Chairman of the Board (subject to board approval).
- 7 Mr. Kanji received common shares (4,610) under Matrikon's Employee Share Ownership Program in 2005.
- 8 Mr. Brown joined Matrikon on May 19, 2004 in conjunction with the acquisition of PI Automation. His 2004 salary represents payments as an employee of Matrikon from that date until August 31, 2004.

Option Grants During the Year Ended August 31, 2005

In fiscal year 2005, stock options to purchase common shares of Matrikon were granted to the Named Executive Officers as set out in the following table. The options granted had an exercise price equal to the closing price of Matrikon common shares on the day they were granted. The options vest over five years at a rate of 20% per year and expire five years after vesting.

Name	Common Shares Under Options Granted ¹	% of Total Options Granted to Employees During Year Ended August 31, 2004	Exercise or Base Price (\$/Common Share)	Market Value of Securities Underlying Options on the Date of Grant (\$/Common Share)	Expiration Date
Nimal Rodrigo	100,000 ¹	29.1%	4.15	4.15	13-Oct-2014

Notes:

- 1 The options were granted under Matrikon's Stock Option Plan and are exercisable as follows:
 - 20,000 available for exercise October 13, 2005
 - 20,000 available for exercise October 13, 2006
 - 20,000 available for exercise October 13, 2007
 - 20,000 available for exercise October 13, 2008
 - 20,000 available for exercise October 13, 2009

Share Ownership

The following table shows the shareholdings and options (exercisable and total) to acquire common shares by Named Executive Officers at October 14, 2005.

Name	Shareholdings at 15-Oct-05	Exercisable Options	Total Options
Nizar J. Somji	9,891,210	NIL	NIL
Amin Rawji	800,666	NIL	NIL
Nimal Rodrigo	NIL	20,000	100,000
Shafin U. Kanji	14,923	117,862	117,862
Ian Brown	2,700	NIL	NIL

Aggregated Option Exercises During the Year Ended August 31, 2005 and Financial Year-End Option Values

The following table shows the exercise of options to acquire common shares by Named Executive Officers during the fiscal year ended August 31, 2005.

Name	Securities Acquired on Exercise	Aggregate Value Realized ¹	Unexercised Options at Financial Year-End		Value of Unexercised In-the-Money Options at Financial Year-End	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Nizar J. Somji	NIL	NIL	NIL	NIL	NIL	NIL
Amin Rawji	NIL	NIL	NIL	NIL	NIL	NIL
Nimal Rodrigo	NIL	NIL	NIL	100,000	NIL	\$66,000
Shafin U. Kanji	NIL	NIL	117,862	NIL	\$341,214	NIL
Ian Brown	NIL	NIL	NIL	NIL	NIL	NIL

Securities Authorized for Issuance Under Equity Compensation Plans

The following table shows the compensation plans under which Matrikon's securities are authorized for issuance from treasury as of August 31, 2005.

Plan Category	(A)	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 column a)
	Number of securities to be issued upon exercise of outstanding options, warrants and rights		
Equity compensation plans approved by securityholders	1,715,300	\$2.45	742,370
Equity compensation plans not approved by securityholders ¹	31,828	\$3.00	NIL

¹ Warrants issued to the underwriters in connection with the private placement completed in September, 2003. All remaining warrants were exercised prior to their expiry on September 24, 2005.

Report on Executive Compensation

The Compensation and Governance Committee, which is composed of four independent directors, administer Matrikon's compensation program for all executive officers.

The primary objectives of Matrikon's compensation program are to enable the company to attract, motivate and retain outstanding individuals and to align their success with that of Matrikon's shareholders through the achievement of strategic corporate objectives and the creation of shareholder value. The level of compensation paid to an executive is based on the executive's overall experience, responsibility and performance.

The Committee also considers the compensation levels for similar positions in the business services (computer software and processing) and other industries in Canada.

Compensation of executive officers is comprised of three elements:

- base salary (30-50% of total compensation)
- long-term incentive in the form of stock options (10-20% of total compensation)
- short-term incentives in the form of cash bonuses (50-70% of total compensation)

Matrikon uses parameters such as the achievement of target revenue and earnings growth in determining cash bonus payment.

Matrikon's executive compensation program consists of a base salary, a performance-based annual incentive bonus and a share option plan. Other compensation includes medical and insurance benefits, which are also generally available to all employees.

Refer to the description under the heading **Compensation** on page 15 (Compensation and Governance Committee Report) for additional information.

Base Salaries

Matrikon's approach to base salaries is to offer amounts which are competitive with salaries paid by its industry peers in the country in which the employee is located. In reviewing industry peers, the Compensation and Governance Committee tries to review peers that have a similar business profile to Matrikon, specifically companies with less than \$150 million in assets, less than \$150 million in market capitalization, and where possible, a similar profit margin. This may require going outside of Matrikon's industry peer group to obtain a comprehensive sample. Actual individual salary levels are based on a number of factors, including the individual's performance, responsibilities and experience and reflect the contribution of each executive officer.

Short-Term Incentive Compensation – Bonuses

Matrikon believes that incentive pay encourages employees to contribute to overall performance. Thus, in addition to base salaries, Matrikon awards cash bonuses to executives based on achieving individual performance targets including certain revenue and net income goals in relation to the company's annual plan as approved by the Board. The Compensation Committee restructures the bonus plan annually. In some instances, the Committee also awards discretionary bonuses to certain of these executives at the conclusion of the year.

Long-Term Incentive Compensation – Stock Options

The Board grants individual stock options to senior executives based on the recommendation of the Compensation Committee and to other employees based on the recommendation of the President. Participation in Matrikon's stock option plan rewards overall corporate performance, as measured through the price of the company's shares. The stock options are intended to align the interests of Matrikon's executives and other employees with those of its shareholders.

The stock option grant to Nimal Rodrigo in 2005 is consistent with previous grants to other Named Executive Officers. Mr. Rodrigo joined Matrikon in October 2004.

Matrikon's stock option plan was discontinued in July 2005. We are seeking shareholder approval to create a restricted share unit plan (RSU plan). This plan is intended to encourage employees and directors to acquire a proprietary interest in Matrikon and thus provide additional incentive to further Matrikon's growth and development.

Long-Term Incentive Compensation - Employee Share Ownership Program

Eligible employees and directors are entitled to participate in Matrikon's employee share ownership program (the "Share Ownership Program"), which was designed to encourage employees to become shareholders of the company. Employees, including Named Executive Officers, are eligible to receive one common share for every two common shares purchased and held for a period of 16 months, with certain restrictions. Nizar J. Somji is not eligible to participate in the plan. Shares held by employees under the program are eligible for matching only once. To date, Matrikon has issued 191,701 common shares under the Share Ownership Program.

Compensation of Chief Executive Officer

As CEO of Matrikon, Nizar Somji's compensation was determined by referencing compensation paid by competitors to their chief executives. In referencing industry peers, the Compensation and Governance Committee tries to review peers that have a similar business profile to Matrikon, specifically companies with less than \$150 million in assets, less than \$150 million in market capitalization, and where possible, a similar profit margin. In addition, Matrikon's operating results for fiscal 2004 and expected results for 2005 were considered in determining the CEO's compensation package for 2005.

In 2005, Mr. Somji's base salary remained fixed at \$180,000 and his bonus was \$351,023. The bonus is based on Mr. Somji's performance against individual and corporate objectives including financial metrics such as operating income, gross margin and top-line and bottom-line growth and personal strategic initiatives.

Total CEO Compensation

	(000s)	Total Since 2001	2003-2005 Total	2005	2004	2003
Salary		888	540	180	180	180
Bonus		1,214	725	351	125	248
Total		2,102	1,265	531	306	429
Annual Average		420	422			
Year End Market Capitalization				147,435	92,851	53,293
Market Cap Growth		108,558	94,141			
Total Salary as a % of Market Cap Growth		1.94%	0.56%			

Employment Contracts

Matrikon does not have any employment contracts, plans, arrangements or agreements to compensate Named Executive Officers in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change of responsibilities following a change of control.

Indebtedness of any Directors, Executive Officers and Senior Officers

Management is not aware of any indebtedness outstanding by its directors, senior officers or executive officers to the

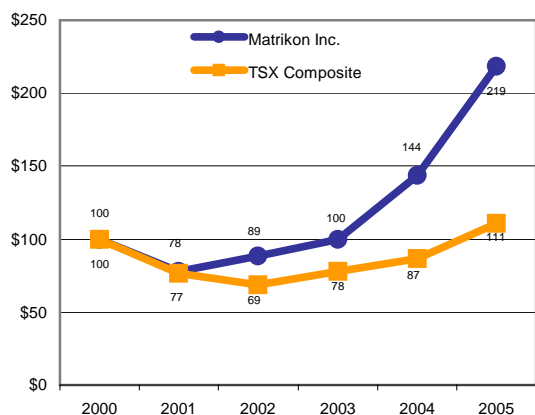
company, or any guarantees, support agreements, letters of credit or other similar arrangements provided by Matrikon to any of its directors, senior officers or executive officers, at any time since the commencement of the last completed fiscal year.

Submitted on behalf of the Board of Directors,

C. Kent Jespersen (Chairman of the Compensation and Governance Committee)
Hugh Bolton
John Zaozimy
Michael Percy

Performance Graph

The following graph illustrates the cumulative shareholder return for \$100 invested in Matrikon common shares on October 31, 2000 in comparison to the total shareholder return of Standard & Poor's TSX Composite Index (formerly the TSE 300 Composite Index) for the five most recently completed financial years. In April 2001, Matrikon completed the reverse takeover of TigrSoft Inc., therefore Closing Price information prior to August 31, 2001 is that of TigrSoft and has been adjusted to reflect the five for one share consolidation that occurred in conjunction with the reverse takeover. Matrikon's trading symbol on the Toronto Stock Exchange is MTK.



	TSX Composite	Matrikon Closing Price (\$)	TSX Composite Investment	Matrikon Common Shares
31-Aug-2005	10,668.94	4.81	110.68	218.64
31-Aug-2004	8,377.03	3.16	86.90	143.64
31-Aug-2003	7,510.32	2.20	77.91	100.00
31-Aug-2002	6,611.95	1.95	68.59	88.64
31-Aug-2001	7,399.22	1.71	76.76	77.73
31-Oct-2000	9,639.57	2.20*	100.00	100.00

*TigrSoft Inc. Closing Price, adjusted for the 2001 stock consolidation, pursuant to which five common shares were consolidated into one common share.

Directors' and Officers' Insurance

Matrikon has purchased, at its expense, insurance covering liability of directors and officers of Matrikon and its subsidiaries, including defence costs, incurred as a result of their acting as such, except in the case of failure to act honestly and in good faith. The policy provides coverage against certain risks in situations where Matrikon may be prohibited by law from indemnifying the directors or officers.

Additional Information

Additional information relating to Matrikon's business is available on SEDAR at www.sedar.com or on Matrikon's website at www.matrikon.com/investors.

Additional financial information about Matrikon is provided in our comparative consolidated financial statements for the year ended August 31, 2005 and the related Management's Discussion and Analysis.

Copies of these documents, along with Matrikon's annual information form for the fiscal year ended August 31, 2005 and documents incorporated by reference, additional interim financial statements for periods subsequent to August 31, 2005 and additional copies of this Information Circular are available on request.

Direct your request for materials to:

By Mail: Investor Relations
Matrikon Inc.
1800, 10405 Jasper Avenue
Edmonton, AB T5J 3N4

By Phone: 780-448-1010 in Edmonton and area
877-628-7456 elsewhere

By Fax: 780-448-9191

By Email: ir@matrikon.com

Or Online: www.matrikon.com/investors

Approval of Directors

Matrikon's Board of Directors has approved the contents and the sending of this Information Circular to the shareholders.

Appendix 1 - Statement of Corporate Governance Practices

Matrikon's Board believes in the importance of maintaining sound corporate governance practices, and has therefore established the Compensation and Governance Committee to periodically review, evaluate and modify governance processes as necessary.

The following table summarizes Matrikon's governance procedures according to National Instrument 58-101.

CSA Corporate Governance Guideline	Comments
1. Board of Directors	
(a) Disclose the identity of directors who are independent	The independent directors are: Hugh J. Bolton C. Kent Jespersen David Kramer Robert Moore Michael B. Percy Janice G. Rennie John Zaozirny (retiring effective December 9, 2005)
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination	Nizar J. Somji, founder and current CEO of Matrikon and Amin Rawji (nominee), current president of Matrikon are the only directors who are not considered independent under Multilateral Instrument 52-110 Section 1.4
(c) Disclose whether or not a majority of directors are independent	Seven of Matrikon's eight current directors (88%) are independent. If the director nominees are elected, six of eight directors (75%) will be independent.
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer	All directorships with other public entities for each director is disclosed in the annual report (21) and Information Circular (pages 8-10)
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.	The independent directors regularly hold <i>in camera</i> sessions at in person board and committee meetings. The Audit Committee also holds <i>in camera</i> sessions with the external auditors and with management. FY2005 In Camera Sessions Board:3 Audit Committee:3 Compensation & Governance Committee:3
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities.	The current board chairman, Hugh J. Bolton, is an independent director. Mr. Bolton's responsibilities are detailed in the Chair's Position Description (Appendix 6). The board intends to elect Nizar J. Somji as non-executive chair following the AGM and his resignation as CEO, subject to shareholders electing the proposed nominees and to board approval. Mr. Bolton will then become lead director. Lead director responsibilities are detailed in the Lead Director's Position Description (Appendix 7).

CSA Corporate Governance Guideline	Comments																																				
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	<table border="1"> <thead> <tr> <th>Director</th> <th>Committee Meetings</th> <th>Board Meetings</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Hugh Bolton</td> <td>4/4.....</td> <td>14/14</td> <td>100%</td> </tr> <tr> <td>Kent Jespersen</td> <td>3/4.....</td> <td>12/14</td> <td>83%</td> </tr> <tr> <td>David Kramer</td> <td>10/10.....</td> <td>14/14</td> <td>100%</td> </tr> <tr> <td>Robert Moore</td> <td>9/10.....</td> <td>14/14</td> <td>96%</td> </tr> <tr> <td>Michael Percy*</td> <td>5/7.....</td> <td>14/14</td> <td>90%</td> </tr> <tr> <td>Janice Rennie</td> <td>8/10.....</td> <td>13/14</td> <td>88%</td> </tr> <tr> <td>Nizar J. Somji</td> <td>n/a.....</td> <td>14/14</td> <td>100%</td> </tr> <tr> <td>John Zaozirny</td> <td>4/4.....</td> <td>13/14</td> <td>94%</td> </tr> </tbody> </table> <p><i>*Dr. Percy moved from the Audit Committee to the Compensation & Governance Committee effective November 2004.</i></p>	Director	Committee Meetings	Board Meetings	%	Hugh Bolton	4/4.....	14/14	100%	Kent Jespersen	3/4.....	12/14	83%	David Kramer	10/10.....	14/14	100%	Robert Moore	9/10.....	14/14	96%	Michael Percy*	5/7.....	14/14	90%	Janice Rennie	8/10.....	13/14	88%	Nizar J. Somji	n/a.....	14/14	100%	John Zaozirny	4/4.....	13/14	94%
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2. Board Mandate																																					
Disclose the text of the board's written mandate.	Matrikon's Charter of Expectations for the Board and Individual Directors is included as Appendix 2 and is also available on our website at www.matrikon.com/investors																																				
3. Position Descriptions																																					
(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee.	Position descriptions are included as Appendix 6, 7, 8 and 9 and are also available on our website at www.matrikon.com/investors																																				
(b) Disclose whether or not the board and CEO have developed a written position description for the CEO.	A position description for the CEO is included as Appendix 5 and is available on our website at www.matrikon.com/investors																																				
4. Orientation & Continuing Education																																					
(a) Briefly describe what measures the board takes to orient new directors regarding																																					
(i) the role of the board, its committees and its directors, and	The Board Charter of Expectations outlines Matrikon's expectations with respect to director behaviour, roles and responsibilities. Each committee has a Terms of Reference that outline the specific responsibilities of the committee.																																				
(ii) the nature and operation of the issuer's business.	<p>Arrangements are made for specific briefing sessions from appropriate senior personnel to help new directors better understand Matrikon's strategies and operations.</p> <p>Senior managers and other Matrikon employees make frequent presentations at board meetings on a variety of business issues and strategies. In addition, external resources occasionally present at board meetings: insurance agents, health, safety and environmental consultant</p> <p>Directors are invited to attend Matrikon's annual user conference (MVP) to meet with clients and learn more about our business and our technology. In 2005, two directors attended MVP (Robert Moore & David Kramer)</p> <p>Directors may also attend industry conferences at Matrikon's expense.</p>																																				
(b) Briefly describe what measures the board takes to provide continuing education for its directors.	Subject to board approval, directors may enrol in professional development courses at Matrikon's expense.																																				
5. Ethical Business Conduct																																					
(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written	Matrikon has a Business Code of Conduct that is applicable to all directors, officers and employees.																																				

CSA Corporate Governance Guideline	Comments
code:	
(i) disclose how a person or company may obtain a copy of the code	Our Business Code of Conduct is available on our web site: www.matrikon.com and on SEDAR at www.matrikon.com . It will be mailed to anyone requesting it by contacting Matrikon's investor relations department at 1-877-MATRIKON extension 4010
(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code	All new employees are required to read and sign off of the Code as part of the orientation process. Employees are reminded annually about Matrikon's policies, including the Business Code of Conduct, as part of the annual performance review process.
(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code	The Board has not granted any waiver of the Code of Conduct nor has a material change report been required or filed.
(b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest	Matrikon's Business Code of Conduct outlines our conflict of interest guidelines. If a director has a material interest in a specific topic, they are not permitted to be present when the matter is discussed or voted upon. Care is taken to ensure all director conflicts are documented in the meeting minutes.
(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	Ethical business conduct is a constant focus of the Board. Board members are encouraged to interact with employees and members of the management team.
6. Nomination of Directors	
(a) Describe the process by which the board identifies new candidates for board nomination.	The Compensation and Governance Committee is responsible for identifying new candidates for recommendation to the board. See the Compensation & Governance Committee Terms of Reference for additional detail on director candidate identification.
(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors.	The compensation and governance committee is responsible for director nominations and is composed entirely of independent directors.
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	See the Compensation & Governance Committee Terms of Reference included as Appendix 10
7. Compensation	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.	See the report on executive compensation (page 18) and board compensation (page 11) contained in the 2005 Information Circular.
(b) Disclose whether or not the board has a compensation committee	The compensation and governance committee is composed entirely of independent directors.

CSA Corporate Governance Guideline	Comments
composed entirely of independent directors.	
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	See the Compensation & Governance Committee Terms of Reference included as Appendix 10
(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained.	No compensation consultants or advisors were retained in fiscal year 2005.
8. Other Board Committees	
If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	None
9. Assessments	
Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.	The Compensation and Governance Committee has the responsibility for assessing the board's effectiveness as a whole, as well as the effectiveness of the individual directors and the committee's of the board. A board performance review is conducted annually with the findings reported to the board. The assessment process examines the effectiveness of the board as a whole and specifically reviews areas that board members believe could be improved to ensure the continued effectiveness of the board in the execution of its responsibilities. A questionnaire addressing board responsibility, organization, operations, communications and effectiveness is completed by each director. The chairman of the board compiles the results of the questionnaire and interviews each director to discuss and address individual concerns. A separate evaluation of the board Chairman is conducted by the chair of the Compensation and Governance committee and includes individual interviews with each director.

Appendix 2 – Charter of Expectations for the Board and Individual Directors

STATEMENT OF PRINCIPLES

- A. Under the *Business Corporations Act* (Alberta), the legislation under which the Corporation is incorporated, the Board of Directors has a duty to manage the business and affairs of the Corporation.
- B. The Board recognizes its duties and has adopted this Charter of Expectations as a general statement of its expectations as to how it will discharge its duties. The Board also believes that this Charter will be of assistance to the Board in its ongoing assessment of its own performance and that of individual Directors.
- C. In managing the business and affairs of the Corporation, the Directors have a duty to act honestly and in good faith with a view to the best interests of the Corporation while exercising the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.
- D. The commitment expected of individual Directors includes diligent preparation for, regular attendance at, and meaningful participation in, Board and committee meetings. A Director is expected to provide wise and thoughtful counsel to the Board and management, to bring independent judgment to bear on a wide variety of issues, and to be a positive ambassador for the Corporation in the community.
- E. One way in which the Board will discharge its duty to manage the business and affairs of the Corporation is by delegation of management authority to the President and Chief Executive Officer (the “CEO”). The CEO is charged by the Board with the day-to-day leadership and management of the Corporation. The CEO is expected to honestly and candidly keep the Board fully informed as to the Corporation’s progress and of any material deviations from the goals, objectives or policies established by the Board.

EXPECTATIONS OF THE BOARD

A. Managing the Business and Affairs of the Corporation

The Board is expected to ensure that the following occur:

- i. the delegation of authority to the CEO to enable her or she to provide day-to-day leadership and management of the Corporation. The primary responsibility of the CEO is to provide leadership to the Corporation. The CEO is expected to formulate strategies and plans for the Corporation’s business and present them to the Board for approval. Once approved, these become the goals and objectives of the Corporation and the Board expects to continually evaluate the performance of management with respect to these goals and objectives. The CEO is expected to ensure that the Corporation has an administrative structure that will enable it to be profitable while meeting its business, legal, regulatory and policy obligations. The CEO is expected to honestly and candidly keep the Board fully informed as to the Corporation’s progress and

of any material deviations from the legal and regulatory obligations of the Corporation or the goals, objectives or policies established by the Board. The Board is expected to ensure that the CEO remains accountable to the Board for the discharge of these duties and expectations;

- ii. the establishment of various Board committees to provide more detailed review and oversight of important areas of responsibility such as Audit and Compensation and Governance, delegating certain of its authorities to such committees and reserving certain powers to itself. The Board will be responsible for the appointment of Board committees and advisory bodies and establishing and periodically reviewing their authority and terms of reference;
- iii. implementing a process to evaluate the performance of the Board, committees and Directors in fulfilling their responsibilities;
- iv. implementing a process for new Director orientation and ongoing Director development;
- v. periodic review of Board composition;
- vi. appointing a Board Chair, Secretary, and, if necessary, a Vice-Chair;
- vii. establishing and enforcing a Board and Corporate confidentiality policy; and
- viii. implementing corporate governance policies to fulfil the Board’s responsibilities for oversight and control.

B. Strategy and Plans

The Board has primary responsibility to ensure that the Corporation develops and implements a strategic business plan. The Board expects to:

- i. participate with management in the Corporation’s strategic planning process including:
 - a. providing input to management on emerging trends and issues,
 - b. ensuring that management develops a strategic (long term business) plan,
 - c. reviewing and approving the strategic plan,
 - d. overseeing management’s implementation of the strategic plan,
 - e. evaluating management’s performance against the strategic plan, and
 - f. reviewing and approving the Corporation’s financial objectives, plans, and actions including significant capital allocations and expenditures;
- ii. approve annual capital and operating budgets which support the Corporation’s ability to meet the objectives established in the strategic plan;

- iii. approve the organization of significant business units; and
- iv. monitor the Corporation's progress toward its goals, and revise and alter its direction through management in light of changing circumstances.

C. Management and Human Resources

The Board has responsibility for:

- i. the appointment, termination and succession of the CEO;
- ii. establishing CEO compensation;
- iii. approving terms of reference for the CEO and delegation of authority to the CEO;
- iv. monitoring CEO performance and reviewing CEO performance at least annually, against agreed upon written objectives;
- v. providing advice and counsel to the CEO in the execution of the CEO's duties;
- vi. approving decisions relating to corporate officers, including the:
 - a. appointment and discharge of officers,
 - b. compensation and benefits for officers, and
 - c. acceptance of outside directorships on public companies by officers (other than not-for-profit organizations);
- vii. ensuring that succession planning programs are in place for senior management, including programs to train and develop management; and
- viii. approving certain matters relating to all employees, including:
 - a. the annual compensation policy/program for employees,
 - b. new benefit programs or material changes to existing programs, and
 - c. material benefits granted to retiring employees outside of benefits received under approved pension and other benefit programs.

D. Business and Risk Management

The Board expects to:

- i. monitor corporate performance against the strategic, operating and capital plans and financial budgets, including assessing operating results to evaluate management performance and whether the business is meeting its objectives;
- ii. require management to identify the principal risks which face the Corporation's business, report them to the Board, and implement systems to manage such risks;
- iii. receive, at least annually, reports from management on matters relating to proper financial accounting, reporting and disclosure, the Corporation's continuous disclosure obligations, environmental management, employee health and safety, and related party transactions; and

- iv. assess and monitor management control systems by:
 - a. evaluating and assessing information provided by management and others (e.g., internal and external auditors) about the effectiveness of management control systems,
 - b. understanding material identified risks and determining whether the Corporation achieves a balance between such risk and returns which is acceptable to the Board, and
 - c. requiring management to have systems in place which address the risks which have been identified.

E. Financial and Corporate Issues

The Board expects to:

- i. monitor the implementation and integrity of the Corporation's internal control and management information systems;
- ii. meet regularly with and receive reports from the Corporation's independent, outside Auditor;
- iii. monitor operational and financial results;
- iv. approve annual and quarterly financial statements, and approve release thereof by management;
- v. declare dividends;
- vi. approve significant debt and equity financing, banking resolutions and significant changes in banking relationships;
- vii. review key issues regarding material corporate insurance policies;
- viii. review material commitments that are expected to have a material impact on the Corporation;
- ix. review the commencement or settlement of litigation that is expected to have a material impact on the Corporation; and
- x. recommend, as required, to the shareholders for approval the appointment of external auditors.

F. Shareholder and Corporate Communications

The Board expects to implement policies intended to:

- i. ensure the Corporation has in place effective communication processes to enable it to satisfy its continuous disclosure obligations;
- ii. ensure that the financial results are reported on a timely basis in accordance with generally accepted accounting principles and all applicable laws, regulations, agreements and policies;
- iii. ensure the timely and accurate reporting of developments that are expected to have a material impact on the value of the Corporation's shares; and
- iv. ensure that the Corporation complies with applicable laws, regulations, and policies.

G. Corporate Policies and Procedures

The Board expects to:

- i. approve and monitor policies which are intended to ensure compliance with the laws, regulations, agreements, policies and procedures by which the Corporation is bound;
- ii. direct management to approve and monitor policies (including, for example, policies regarding a code of ethical business conduct, continuous disclosure, conflict of interest, insider trading, computer usage, confidentiality, and the environment) intended to ensure that management of the Corporation is aware of the standards of conduct which are required by the Board;
- iii. review significant new corporate policies or material amendments to existing policies; and
- iv. direct management to ensure that all significant corporate records and documents have been properly prepared, approved, filed and maintained.

EXPECTATIONS OF INDIVIDUAL DIRECTORS

Individual Directors are expected to demonstrate certain characteristics and traits. The Board has established the following expectations for the Corporation's Directors.

A. Board of Directors Activity

As a member of the Board, each Director will:

- i. demonstrate high ethical standards and integrity in their personal and professional dealings, and be willing to act upon and remain accountable for their boardroom decisions;
- ii. provide wise, thoughtful counsel to the Board and management on a broad range of issues and develop the depth of knowledge to understand and question the assumptions upon which the strategic and business plans are based, and form an independent judgment as to the probability that such plans can be achieved;
- iii. demonstrate a reasonable level of financial literacy, know how to read financial statements, and understand the use of financial ratios and other indices for evaluating company performance;
- iv. respect confidentiality;
- v. be available as a resource to management and the Board;
- vi. when possible, advise the CEO or Chair in advance of introducing significant and previously unknown information at a Board meeting;
- vii. as necessary and appropriate, communicate with the Chair and with the CEO between meetings;
- viii. demonstrate a willingness and availability for individual consultation with the Chair or CEO; and
- ix. be a positive force, using abilities and influence constructively.

B. Preparation and Attendance

To enhance the effectiveness of Board and committee meetings, each Director is expected to:

- i. prepare for each Board and its committees by reading the reports and background materials provided for the meeting;
- ii. maintain an excellent Board and committee meeting attendance record. Attendance which is less than 80%, without extenuating circumstances, would create considerable concern for the Board; and
- iii. obtain additional information if necessary for decision-making.

C. Communication

Subject to the need for independence on the part of individual Directors, the Board values Directors who consider Board and team performance to be important in addition to strong individual performance. Directors are expected to demonstrate respect for others and to generally facilitate superior performance by the Board as a whole. The Board believes that good communication is fundamental to Board effectiveness and therefore each Director is expected to:

- i. participate fully and frankly in the deliberations and discussions of the Board;
- ii. demonstrate a willingness to listen to others' opinions and the openness to consider them and to appreciate that this quality ranks as highly as the ability to communicate one's own point of view persuasively;
- iii. approach others assertively, responsibly and supportively, and be willing to raise tough questions in a manner that encourages open discussion;
- iv. establish an effective, independent and respected presence on the Board and a collegial relationship with other Directors;
- v. focus inquiries on issues related to strategy, policy, and results rather than issues relating to the day-to-day management of the Corporation; and
- vi. respect the policy that individual Directors should not be involved in external communications except at the request of or with the approval of the Chair or CEO.

D. Independence

Independence is a critical quality of an effective Director. Each Director is expected to:

- i. think, speak and act independently with confidence and courage;
- ii. be critical and responsive to change; and
- iii. when necessary, be willing to risk rapport with the Chair and other Directors and/or the CEO in taking a reasoned, independent position.

E. Committee Work

In order to assist Board committees in being effective and productive, each Director is expected to:

- i. participate on committees and become knowledgeable about the duties, purpose and goals of each committee; and
- ii. understand the process of committee work and the role of management and staff supporting the committee.

F. Industry and Corporate Knowledge

The Board recognizes the value of well-informed Directors, each Director is expected to:

- i. become generally knowledgeable of the business of the Corporation and its industry;
- ii. participate in Director orientation and development programs developed by the Corporation from time to time;
- iii. maintain a current understanding of the regulatory, legislative, business, social and political environments within which the Corporation operates;
- iv. become acquainted with the senior managers of the Corporation; and
- v. visit the Corporation's offices when appropriate.

GENERAL BOARD MATTERS

A. Board Membership Criteria

The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for business acumen and integrity. The assessment of possible new Directors will include consideration of an individual's qualifications as well as consideration of age, skills and experience in the context of the needs of the Board. Exceptional candidates who do not meet all of these criteria may still be considered.

B. Retirement

- i. The Board does not favour term limits for Directors, but believes that it is important to monitor overall Board performance at all times. Therefore, the Compensation and Governance Committee shall review each Director's continuation on the Board every year. This will also allow each Director the opportunity to conveniently confirm his or her desire to continue as a member of the Board.
- ii. Non-independent Directors shall offer to resign from the Board upon their resignation, removal or retirement as an officer of the Corporation.
- iii. Directors are expected to advise the Chair whenever a material change occurs to their normal business or professional occupation.

C. Board Meetings – Appointment of Chair

- i. One Director shall be elected Chair by the Board each year to preside at all meetings. If the Chair is not independent, then the independent Directors shall elect a Lead Director who shall fulfil the duties set out in the Lead Director Position Description approved by the Board. Where necessary, this Charter shall be read with such changes as are necessary for the Lead Director to carry out his/her responsibilities, objectives and principal duties.
- ii. The Chair and CEO should establish the agenda for Board meetings. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will meet at least quarterly.

- iii. The Corporation will distribute, sufficiently in advance of meetings to permit meaningful review, written materials, which will in all events include recent financial information, for use at Board meetings.
- iv. The Board believes that attendance of key executive officers augments the meeting process and welcomes their attendance where appropriate.
- v. The Chair is expected to meet, at least annually, with each Director in private for a full and frank discussion of any topics of concern regarding the Board and the Corporation including any performance concerns regarding the Chair, individual Directors, and management.

D. Conflicts of Interest

Directors should advise the Chair in advance of accepting an invitation to serve on another public company board. Directors must avoid any action, position or interest that conflicts with an interest of the Corporation, or gives the appearance of a conflict. Directors are expected to be mindful of their legal duties to the Corporation and their legal obligation to immediately declare any conflict of interest and not to participate in any decision or Board action respecting the subject matter of the conflict.

E. Share Ownership by Directors

Each Director is expected to own a minimum amount of the Corporation's shares. The minimum amount shall be shares having a value equal to 3 times the annual basic Director's compensation where the value is calculated as at the date or dates the shares were purchased. For the existing Directors as at November 5, 2003, they are expected to acquire these minimum shares by November 5, 2004 and for new directors elected after November 5, 2003, are expected to acquire these minimum shares within 3 years of their initial election.

F. Director Compensation

The form and amount of Director compensation will be determined by the Compensation and Governance Committee.

G. Assessing Board Performance

The Board will conduct an annual self-evaluation to determine whether it, its members, and its committees are functioning effectively. The Compensation and Governance Committee will receive comments from all Directors as to the Board's performance and report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board following the end of each fiscal year.

H. Access to Officers and Employees

Board members have complete and open access to Management.

I. Public Communications

The Board believes that, in general, management should speak for the Corporation and that the Chair should speak for the Board.

J. Professional Advisors

The Board and each Board committee has the power to hire independent legal, financial or other advisors at the expense of the Corporation, as it may deem necessary, without consulting or obtaining the approval of any officer of the

Corporation in advance. Any such retainer shall be reported to the Board at its next ensuing meeting.

K. Confidentiality of Deliberations

The Board believes that maintaining confidentiality of information and deliberations is an imperative that will be expected of all Directors and any other person present. Information learned during the course of service on the Board is to be held confidential and used solely in furtherance of the Corporation's business.

BOARD COMMITTEE MATTERS

A. Board Committees

The Board will have at all times an Audit Committee and a Compensation and Governance Committee. Each of these committees shall consist solely of independent Directors. Committee members will be appointed by the Board upon recommendation of the Compensation and Governance Committee having consideration for the desires of individual Directors. The Board may, from time to time, establish or maintain any additional committees it determines.

B. Rotation of Committee Assignments and Chairs

Committee assignments and the designation of committee chairs should be based on Directors' knowledge, interests and areas of expertise. The Board does not favour mandatory rotation of committee assignments or chairs. The Board believes that experience and continuity are more important than rotation for its own sake. Committee members and chairs may be rotated in response to changes in membership of the Board and in all cases should be rotated only if rotation is likely to increase committee performance.

C. Committee Terms of Reference

Each committee shall have its own terms of reference. The terms of reference will set forth the purposes, goals and responsibilities of the committees.

D. Performance Review

Each committee will annually evaluate its own performance as part of the overall review of Board performance.

E. Frequency and Length of Committee Meetings

The chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's terms of reference.

Appendix 3 – Terms of Reference of the Audit Committee

A. OVERVIEW AND PURPOSE

The Audit Committee (the “Committee”) is responsible to the Board of Directors (the “Board”). The committee approves, monitors, evaluates, advises or makes recommendations to the Board, in accordance with these terms of reference, on matters affecting the external audit and the financial reporting and accounting control policies and practices of the Corporation. In addition, the committee has oversight responsibility with respect to management’s duties regarding financial risks encountered by the Corporation as more particularly set out in Sub Paragraphs C.2. (a) below.

B. MEMBERSHIP AND ATTENDANCE AT MEETINGS

1. The members of the Committee shall consist of a minimum of three independent and financially literate (as defined by securities legislation), unrelated, directors, appointed by the Board.
2. The Chair of the Committee shall be designated by the Board.
3. Attendance by invitation at all or a portion of Committee meetings is determined by the Committee Chair or its members and would normally include the Chief Financial Officer of the Corporation, the auditor, and such other corporate officers, advisors, or support staff as may be deemed appropriate.

C. DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

1. Financial Accountability
 - a. To review, and recommend to the Board for approval, the annual audited financial statements.
 - b. To review, and recommend to the Board for approval, the following public disclosure documents:
 - i. the financial content of the annual report;
 - ii. the annual management information circular and proxy materials;
 - iii. the annual information form; and
 - iv. management discussion and analysis section of the annual report.
 - c. To review, and recommend to the Board for approval, the quarterly financial statements and the quarterly press release on earnings of the Corporation, which require approval by the Board prior to public disclosure thereof.
 - d. To review, and recommend to the Board for approval, all financial statements, reports of a financial nature, and the financial content of prospectuses or any other reports which require approval by the Board prior to submission thereof to the shareholders, any regulatory authority, or the public.

- e. To review any report of management which accompanies published financial statements (to the extent such a report discusses the financial position or operating results) for consistency of disclosure with the financial statements themselves.
- f. To review and assess, in conjunction with management and the external auditor:
 - i. the appropriateness of accounting policies and financial reporting practices used by the Corporation;
 - ii. any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Corporation;
 - iii. any new or pending developments in accounting and reporting standards that may affect or impact on the Corporation;
 - iv. identification of the Corporation’s principal financial risks and uncertainties and the systems to manage such risks and uncertainties;
 - v. the integrity (including without limitation, the effectiveness) of the Corporation’s disclosure controls and procedures, internal control and management information systems; and
 - vi. the key estimates and judgments of management that may be material to the financial reporting of the Corporation.
- g. To periodically assess and be satisfied that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, other than the Corporation’s financial statements, MD&A and annual and interim earnings press releases.
- h. To assess the performance and consider the annual appointment of external auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, for recommendation to the Board for ultimate recommendation for appointment by the shareholders.
 - i. To recommend to the Board the compensation of external auditors.
 - j. To review the terms of the annual external audit engagement including, but not limited to, the following:
 - i. staffing;
 - ii. objectives and scope of the external audit work;
 - iii. materiality limits;
 - iv. audit reports required;
 - v. areas of audit risk;

- vi. timetable; and
 - vii. the proposed fees.
- k. To pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by its external auditors or the external auditors of the Corporation's subsidiary entities. If and when applicable, to delegate to one or more independent members of the Committee the authority to pre-approve non-audit services provided that such pre-approval by one or more independent members with such authority, shall be presented to the committee at its first scheduled meeting following such pre-approval.
 - l. To review the fees paid to the external auditors or its affiliates for non-audit services, and consider the impact on the independence of the external audit work.
 - m. To oversee the work of the external auditors engaged for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting.
 - n. To review with the external auditors the results of the annual audit examination including, but not limited to the following:
 - i. any difficulties encountered, or restrictions imposed by management, during the annual audit;
 - ii. any significant accounting or financial reporting issues;
 - iii. the auditor's evaluation of the Corporation's system of internal accounting controls, procedures and documentation;
 - iv. the post-audit or management letter containing any findings or recommendations of the external auditor including management's response thereto and the subsequent follow-up to any identified internal accounting control weaknesses; and
 - v. any other matters which the external auditors should bring to the attention of the Committee
 - o. To meet with the external auditors, at least annually or as requested by the auditors, without management representatives present; and to meet with management, at least annually, without the external auditors present.
 - p. To obtain reasonable assurance, by discussions with and reports from management and the external auditors, that the accounting systems are reliable and that the system of internal controls is effectively designed and implemented.
 - q. To annually request the external auditor to provide its views on the quality (not just the acceptability) of the Corporation's annual and interim financial reporting. Such quality assessment should encompass judgments about the appropriateness, aggressiveness or conservatism of estimates and elective accounting principles or methods and judgments about the clarity of disclosures.
- r. When there is to be a change in auditor, review all issues related to the change, including the information to be included in the notice of change of auditor called for under applicable securities regulations and the rules of applicable exchanges, and the planned steps for an orderly transition.
 - s. To review any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation, and the manner in which these matters have been disclosed in the financial statements.
 - t. To review the internal control and approval policies and practices concerning the expenses of the officers of the Corporation, including the use of the Corporation's assets.
 - u. To review any claims of indemnification pursuant to the Bylaws of the Corporation.
 - v. To review, and recommend to the Board for approval, the management report to be included in the annual report to shareholders.
 - w. To request such information and explanations in regard to the accounts of the Corporation as the Committee may consider necessary and appropriate to carry out its duties and responsibilities.
 - x. To request that the Chief Executive Officer and Chief Financial Officer or persons who perform functions similar to them, report on issues which are the subject of any Certificates to be signed and filed in accordance with applicable securities regulations by the Chief Executive Officer and Chief Financial Officer or persons who perform functions similar to them; and to review such report.
 - y. To establish procedures for:
 - i. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - ii. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
 - z. To review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation.
2. Risk Management
 - a. To oversee the Corporation's management to ensure that management discharges its responsibility to identify and mitigate financial risks faced by the Corporation.
 3. General Responsibilities
 - a. To consider any other matters which, in the opinion of the Committee or at the request of the Board, would assist the directors to meet their responsibilities.
 - b. To review annually the terms of reference for the Committee and to recommend any required changes to the Board.

- c. To provide reports and minutes of meetings to the Board.

D. MEETINGS

1. Regular meetings of the Committee are held at least four times each year.
2. Meetings may be called by the Committee chair or by a majority of the Committee members, and usually in consultation with the management of the Corporation.
3. Meetings are chaired by the Committee Chair or, in the Chair's absence, by a member chosen by the Committee from among themselves.
4. A quorum for the transaction of business at any meeting of the Committee is a majority of members.
5. The Secretary of the Corporation shall provide for the delivery of notices, agendas and supporting materials to the Committee members at least five (5) days prior to the date of the meeting, except in unusual circumstances.
6. Meetings may be conducted with members present, or by telephone or other communications facilities which permit all persons participating in the meeting to hear or communicate with each other.
7. A written resolution signed by all Committee members entitled to vote on that resolution at a meeting of the

Committee is as valid as one passed at a Committee meeting.

8. The Secretary of the Corporation shall be the secretary for the Committee and keep a record of minutes of all meetings of the Committee.
9. Minutes of the meetings of the Committee, prepared in draft, shall be distributed by the Secretary of the Corporation to all members of the Committee within seven (7) working days of each meeting, and shall be submitted for approval at the next regular meeting of the Committee.

E. AUTHORITY OF THE AUDIT COMMITTEE

1. The Audit Committee shall have the authority to:
 - a. engage independent counsel and other advisors as it determines necessary to carry out its duties;
 - b. to set and pay the compensation for any advisors employed by the committee; and,
2. to communicate directly with the internal (if any) and external auditors.

Appendix 4 – Proposed Restricted Share Unit Plan

1. Purpose of the Plan

A deferred compensation plan for directors, officers, and key employees of Matrikon Inc. and its affiliates is hereby established. The purpose of the plan is to promote the interests of the Corporation by enhancing its ability, and that of its affiliates, to attract and retain talented individuals to serve as members of its board of directors and as corporate officers and key employees. This plan is intended to be used to promote the alignment of interests between such individuals and the Corporation's shareholders.

2. Definitions

For purposes of this restricted share unit plan, the terms contained herein shall have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta) or its successor, as amended from time to time.

"**Actively Employed**" means that period of time during which a Participant is required to devote at least 50% of his working time to functions assigned by the Corporation or an Affiliated Company or is on a Corporation sponsored short term disability program (or similar program sponsored by an Affiliated Company) and shall not include any period which is deemed, in the sole discretion of the Corporation, to be a period in lieu of a notice of termination.

"**Administrator**" means such person or group of persons as may be appointed by the Committee from time to time to administer this RSU Plan.

"**Affiliated Companies**" shall have the meaning ascribed to the term "affiliated bodies corporate" by the ABCA and shall include such other entities as may be determined by the Committee.

"**Board**" means the board of directors of the Corporation.

"**Business Day**" means a day, other than a Saturday or Sunday, on which banking institutions in Alberta are generally open for the transaction of business;

"**Change in Control**" has the meaning given in Section 13.1.

"**CIC Date**" means the date of any Change in Control.

"**Committee**" means the Compensation and Governance Committee of the Board, or such other committee of the Board as may be given the responsibility to act on behalf of the Board with respect to this RSU Plan or, in the absence of any such committee, the Board itself.

"**Corporation**" means Matrikon Inc. and its successors and assigns.

"**Designated Individual**" means any director, officer, or employee of the Corporation or its Affiliated Companies who is determined by the Committee to be eligible to receive a Grant.

"**Director**" means a member of the board of directors of the Corporation.

"**DSU**" means a deferred share unit which is a bookkeeping entry equivalent in value to a Share, credited to a Participant in accordance with the DSU Plan.

"**DSU Plan**" means the deferred share unit plan of the Corporation which is appended hereto as Appendix A and

incorporated herein by this reference, as such plan may be amended from time to time.

"**Effective Date**" means the date on which a grant of RSUs takes effect.

"**Grant**" means a grant of RSUs to a Designated Individual under this RSU Plan.

"**Insider**" means an *insider* as defined under Section 1 of the *Securities Act* (Alberta) other than a person who falls within that definition solely by virtue of being a director or officer of a subsidiary, and an *associate*, as defined in the *Securities Act* (Alberta) of any person who is an *insider* as defined above.

"**Participant**" means an individual to whom a Grant has been made under this RSU Plan.

"**Restricted Share Unit Account**" has the meaning set forth at Section 8.1.

"**RSU**" means a restricted share unit which is a bookkeeping entry credited to a Designated Individual in accordance with this RSU Plan .

"**RSU Plan**" means the Corporation's restricted share unit plan as set forth herein and as may be amended from time to time.

"**RSU Share**" means a Share delivered to a Participant in accordance with the provisions of this RSU Plan in settlement of an RSU.

"**Share**" means a common share in the capital of the Corporation.

"**Share Compensation Arrangement**" means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from the treasury of the Corporation which is financially assisted by the Corporation by way of a loan guarantee or otherwise..

"**Vests**" or "**Vested**" an RSU vests or is vested when the Participant becomes entitled to exercise his or her rights under Section 6.

"**Vesting Date**" means the day, specified in a Grant, on which an RSU shall be converted either to a RSU Share or a DSU pursuant to Section 6.

"**Vesting Period**" means, in respect of any RSUs, the period which shall be twelve months or a whole number multiple thereof, which commences on the Effective Date of the Grant of such RSUs and ends on the Vesting Date of such RSUs.

3. Construction and Interpretation

- 3.1. In this RSU Plan, references to the masculine include the feminine and reference to the singular shall include the plural and vice versa, as the context shall require.
- 3.2. This RSU Plan shall be construed in accordance with and shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- 3.3. If any provision of this RSU Plan is determined to be void or unenforceable in whole or in part, such

determination shall not affect the validity or enforcement of any other provision or part of this RSU Plan.

- 3.4. Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.
- 3.5. References to "Sections" are to numbered sections of this RSU Plan and not to sections of the DSU Plan unless otherwise indicated.
- 3.6. The Corporation and the Participants confirm their desire that this document along with all other documents including all notices relating hereto, be written in the English language. La corporation et les participants confirment leur volonté que ce document de meme que tous les documents, y compris tout avis, s'y rattachent soient rédigés en Anglais.

4. Administration

- 4.1. The Committee shall administer this RSU Plan in accordance with its terms. The Committee may, subject to the terms of this RSU Plan, delegate to the Administrator the whole or any part of the administration of this RSU Plan and shall determine the scope of such delegation. Any decision made by the Committee or the Administrator in carrying out their responsibilities with respect to the administration of this RSU Plan shall be final and binding on the Participants.
- 4.2. In addition to the other powers granted to the Committee under this RSU Plan and subject to the terms of this RSU Plan, the Committee shall have full and complete authority to interpret this RSU Plan. The Committee and/or the Administrator may from time to time prescribe such rules and regulations and make all determinations necessary or desirable for the administration of this RSU Plan. Any such interpretation, rule, determination or other act of the Committee and/or the Administrator shall be conclusively binding upon the Participants and their legal representatives and beneficiaries.
- 4.3. The Committee shall at the time of the making of a Grant determine the terms that, pursuant to Section 5 will be applicable to the RSUs which are the subject matter of the Grant.
- 4.4. No member of the Board, the Committee or the Administrator shall be liable for any action or determination made in good faith pursuant to this RSU Plan. To the full extent permitted by law, the Corporation shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding by reason of the fact that such person is or was a member of the Board, Committee or the Administrator and, as such, is or was required or entitled to take action pursuant to the terms of this RSU Plan.
- 4.5. All costs of administering and operating this RSU Plan, including any administration fees, shall be paid by the Corporation.

5. Grants Of RSUs

- 5.1. The Committee may, from time to time in its sole discretion, grant RSUs to a Designated Individual and upon such Grant, such Designated Individual shall become a Participant in this RSU Plan. In respect of each Grant of RSUs, the Committee, shall determine:
 - a the Effective Date thereof and the number of RSUs allocated to the Participant;
 - b the Vesting Date or Vesting Dates applicable to such RSUs, provided that such Vesting Period(s) shall not exceed three (3) years after the end of the calendar year in which such RSUs are allocated to a participant; and
 - c such other terms and conditions of the RSUs covered by each Grant.
- 5.2. Each Grant shall be evidenced by a written notice (a "Notice of Grant") to be delivered, along with a copy of this RSU Plan, to the Participant who is to benefit from the Grant. Each Notice of Grant shall set forth the terms referred to in Section 5.1, together with such other terms and conditions as the Committee may determine, and each Notice of Grant shall be acknowledged in writing by the Participant. Each Notice of Grant shall state that the Grant is subject to the terms of this RSU Plan.
- 5.3. The Corporation shall not make any Grant or issue and deliver any Notice of Grant pursuant to the Plan unless and until such Grantor issuance and delivery can be completed in compliance with all applicable laws, including tax regulations, and all other regulations, rules, orders of governmental or regulatory authorities and the requirements of all applicable stock exchanges upon which Shares are listed. The Corporation shall be obligated to take all reasonable action to comply with any such laws, regulations, rules, orders, or requirements.
- 5.4. The total number of RSUs which may be Granted to any Participant under this RSU Plan shall not exceed 5% of the issued and outstanding Shares (on a non-diluted basis) at the date of the Grant.
- 5.5. The maximum number Shares which may be reserved for issuance to Insiders under this RSU Plan shall be 10% of the Shares outstanding at the time of the Grant (on a non-diluted basis), less the aggregate number of Shares reserved for issuance to Insiders under any other Share Compensation Arrangement.
- 5.6. The maximum number of Shares which may be issued to Insiders under the Plan within a one year period shall be 10% of the Shares outstanding at the time of the Grant (on a non-diluted basis), excluding Shares issued under this RSU Plan or any other Share Compensation Arrangement over the preceding one year period. The maximum number of RSUs which may be issued to any one Insider under this RSU Plan or any other Share Compensation Arrangement within a one year period shall be 5% of the Shares outstanding at the time of the Grant (on a non-diluted basis), excluding shares issued to such Insider under this RSU Plan or any other

Share Compensation Arrangement over the preceding one year period,

6. Conversion of RSUs to RSU Shares or DSUs Upon Vesting

6.1. Each RSU issued pursuant to a Grant shall, subject to and in accordance with the terms of the Grant and this RSU Plan, upon the Vesting Date or each of the Vesting Dates specified in the Grant, shall convert to either:

- a one RSU Share; or
- b one DSU.

according to the election of the Participant:

In the absence of an election by the Participant, each RSU shall be converted to one DSU as of the relevant Vesting Date.

6.2. The Corporation shall not be required to issue or cause to be delivered RSU Shares or DSUs pursuant to this section unless and until such issuance and delivery can be completed in compliance with all applicable laws, including tax regulations, and all other regulations, rules, orders of governmental or regulatory authorities and the requirements of all applicable stock exchanges upon which Shares are listed. The Corporation shall be obligated to take all reasonable action to comply with any such laws, regulations, rules, orders, or requirements.

7. Deferred Share Unit Plan

DSUs issued pursuant to an election under Section 6.1 shall be issued pursuant to and governed by the terms of the DSU Plan.

8. Restricted Share Unit Account

- 8.1. Certificates will not be issued to evidence RSUs. Book entry accounts, to be known as the "Restricted Share Unit Account" shall be maintained by the Corporation for each Participant and will be credited with RSUs granted to a Participant from time to time.
- 8.2. In the event that cash dividends are paid on the Shares following an Effective Date, additional RSUs will be credited to the Participant's Restricted Share Unit Account. The number of such additional RSUs will be calculated by dividing the total aggregate amount of dividends that would have been paid to such Participant if the RSUs in the Participant's Restricted Share Unit Account had been Shares held by the Participant on the date dividends are declared, by the value of an RSU Share on the date when a dividend is declared, as determined by the Committee acting reasonably, and credited to the Participant's Restricted Share Unit Account as at the date on which the dividends were paid on the Shares. The additional RSUs will vest on the same date as the RSUs to which they relate. Fractional additional RSUs to two (2) decimal places shall be credited to the Participants' Restricted Share Unit Account. However, no fractional Shares or DSUs shall be issued in respect of fractional RSUs. The number of Shares or DSUs issued in respect of a fractional

RSU shall be the nearest whole number of Shares or DSUs determined by rounding the fractional number up or down to the closest whole number as required.

9. Death or Disability

9.1. In the event of the death of a Participant, RSU Shares shall be issued to the estate of the Participant as soon as practicable after the date of death. The number of RSU Shares issued shall be based upon the number of RSUs vested as at the date of death plus an additional number of RSU Shares determined as follows in respect of the next impending Vesting Date following the date of death:

The number of such additional RSU Shares shall be determined by multiplying the number of RSUs that would have vested in the Participant at the next ensuing Vesting Date by a fraction of which the numerator is that number of complete calendar months from the Effective Date to the date of death and the denominator of which is that number of complete calendar months from the Effective Date to the next ensuing Vesting Date after the date of death.

9.2. In the event a Participant becomes disabled and entitled to benefits under a long term disability program sponsored by the Corporation or an Affiliated Company, in addition to the number of RSUs vested on the date at which the Participant becomes entitled to receive benefits under the long term disability program, if the Participant was Actively Employed or serving as a Director for more than 180 days since the last Vesting Date, the Participant shall be entitled to receive additional RSU Shares calculated as follows in respect of the next impending Vesting Date following the date of disability:

The number of such additional RSU Shares shall be determined by multiplying the number of RSUs that would have vested in the Participant at the next ensuing Vesting Date by a fraction of which the numerator is that number of complete calendar months from the Effective Date during which the Participant was Actively Employed by the Corporation or serving as a Director prior to the date of disability and the denominator of which is that number of complete calendar months from the Effective Date to the next ensuing Vesting Date after the date the Participant ceased to be Actively Employed by the Corporation or serving as a Director due to the disability.

9.3. Except as provided in Section 9.1 or 9.3, all rights of the Participant in unvested RSUs shall become null and void as of the death or such disability of a Participant.

10. Termination of Employment

In the event that the employment of the Participant with the Corporation or an Affiliated Company is terminated, other than by an event covered in Section 9, either voluntarily by the Participant, or by the Corporation or an Affiliated Company, all rights of the Participant in unvested RSUs granted to the Participant shall become null and void upon the effective date of the termination.

11. Non-Transferability

The rights or interests of a Participant to RSUs and otherwise under this RSU Plan shall not be assignable or transferable, except that transmission of RSUs and other rights under this RSU Plan by will or the laws governing the devolution of property in the event of death shall be permitted. RSUs and rights or interests therein or under this RSU Plan shall not be encumbered.

12. RSUs Not Shares

Under no circumstances shall RSUs be considered Shares, nor entitle any Participant to the exercise of voting rights, the receipt of dividends or the exercise of any other rights attaching to ownership of Shares.

13. Change in Control

13.1. A "Change in Control" shall be deemed to have occurred if any person or any group of two or more persons acting jointly or in concert becomes the beneficial owner, directly or indirectly, or acquires the right to control or direct, thirty three and one third percent (33 1/3%) or more of the outstanding voting securities of the Corporation or any successor to the Corporation in any manner, including without limitation as a result of a takeover bid or an amalgamation of the Corporation with any other corporation or any other business combination or reorganization, but not including any internal reorganization or restructuring amalgamation with an Affiliated Company, and for purposes hereof "voting security" means any security other than a debt security carrying a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

13.2. Notwithstanding any other provision of this RSU Plan, in the event of the occurrence of a Change in Control of the Corporation and with respect to all Grants that are outstanding on the CIC Date, each Participant shall be entitled to elect to:

- a continue to hold his or her RSUs under this RSU Plan, in which case the Participant need do nothing, or
- b deliver a written election to the Corporation within five Business Days following the CIC Date (provided the Participant has notice thereof), to receive one of the following:
 - i. RSU Shares, or
 - ii. a cash payment equal to the Special Value of RSU Shares, where

the number of RSU Shares to be issued shall be determined in accordance with Section 13.3, and the Special Value of such RSU Shares shall be determined in accordance with Section 13.4. For certainty, if any RSUs have Vested as at the CIC Date but have not been converted pursuant to Section 6 to either RSU Shares or DSUs, the number of such unconverted RSUs shall be added to the number of RSU Shares determined in accordance with Section 13.3.

13.3. In the event of an election pursuant to Section 13.2.(b), the number of RSU Shares to be issued, or in respect of which a cash payment is to be made, shall be determined by multiplying the

number of RSUs that would have vested in the Participant at the next Vesting Date following the CIC Date, by a fraction of which the numerator is that number of complete calendar months in the Vesting Period prior to the CIC Date and the denominator is the total number of calendar months in the period from the Effective Date to the next Vesting Date which would occur after the CIC Date.

13.4. The "Special Value" of an RSU Share shall be determined as follows:

- a if any Shares are sold as part of the transaction constituting the Change in Control, the Special Value of an RSU Share shall equal the weighted average of the prices paid for those Shares by the acquiror, provided that if any portion of the consideration paid for such Shares by the acquiror is paid in property other than cash, the Board (as constituted immediately prior to the CIC Date) shall determine the fair market value of such property as of the CIC Date for purposes of determining the Special Value under this Section; and
- b if no Shares are sold as part of the transaction constituting the Change in Control, the Special Value shall equal the arithmetic average of the closing prices for the Shares on the Toronto Stock Exchange (or such other exchange upon which the Shares are listed) for the five trading days immediately preceding the CIC Date.

13.5. RSU Shares to be issued pursuant to an election under Section 13.2.b.i. shall be issued within ten (10) Business Days following the CIC Date and a cash payment to be made pursuant to an election under Section 13.2.b.ii. shall be made within ten (10) Business Days following the CIC Date.

14. Effects of Alteration of Share Capital

14.1. In the event:

- a a stock dividend shall be declared upon the Shares payable in Shares of the Corporation;
- b the outstanding Shares shall be changed into or exchanged for a different number or kind of shares or other securities of the Corporation or of another corporation, whether through an arrangement, amalgamation or other similar statutory procedure, or a share recapitalization, subdivision or consolidation;
- c there shall be any change, other than those specified in paragraphs (a) and (b) of this Section, in the number or kind of outstanding Shares or of any shares or other securities into which such Shares shall have been changed or for which they shall have been exchanged; or
- d there shall be a distribution of assets or shares to shareholders of the Corporation out of the ordinary course of business,

then, if the Committee shall in its sole discretion determine that such change equitably requires an

adjustment in the number of RSUs issued pursuant to this RSU Plan, such adjustment shall be made by the Committee and shall be effective and binding for all purposes.

- 14.2. The existence of any RSUs or DSUs shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's or any Affiliated Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or any Affiliated Company, or to create or issue any bonds, debentures, shares or other securities of the Corporation or any Affiliated Company, or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any Affiliated Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

15. Amendment And Termination

The Board may from time to time amend, suspend or terminate this RSU Plan in whole or in part. In addition, the Board may from time to time amend the terms of Grants made under this RSU Plan, subject to obtaining the written consent of affected Participants and any required regulatory or other approvals. Notwithstanding the foregoing, the obtaining of the consent of Participants to an amendment which materially adversely affects the rights of such Participants with respect to outstanding Grants shall not be required if such amendment is required to comply with applicable laws, regulations, rules, orders of governmental or regulatory authorities or the requirements of any stock exchange on which Shares of the Corporation are listed.

16. Participation Voluntary

Participation in this RSU Plan by a Designated Individual is voluntary. No employee shall have any claim or right to receive Grants under this RSU Plan, and a Grant and issuance of RSUs under this RSU Plan shall not be construed as giving a Participant any right to continue in the employment of the Corporation or its Affiliated Companies or affect the right of the Corporation or its Affiliated Companies to terminate the employment of any Participant.

17. Withholding Tax

The Committee may adopt and apply rules that in its opinion will ensure that the Corporation and its Affiliated Companies will be able to comply with applicable provisions of any federal, provincial, state or local law or other law relating to the withholding of tax in respect of a Participant. The Corporation, or an Affiliated Company, may withhold from a Participant and sell on behalf of a Participant, such number of RSU Shares as may be necessary, and may withhold any amount payable to a Participant, either under the terms of the Participant's employment, or otherwise, or may require a Participant to pay sufficient cash, to ensure that the Corporation or an Affiliated Company will be able to comply with applicable provisions of any federal, provincial, state or local law relating to withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Participant in respect of this RSU Plan or the issuance of any RSU Shares.

18. Acceptance of Terms by Participant

Participation in this RSU Plan by any Participant shall be construed as acceptance of the terms and conditions of this RSU Plan, and the amendment of the terms of the Participant's employment by the Corporation or an Affiliated Company accordingly, and as to the Participant's agreement to be bound thereby.

19. Effective Date And Term Of This RSU Plan

This RSU Plan, and any amendments to this RSU Plan, shall become effective upon its or their adoption by the Board. This RSU Plan shall terminate on the date determined by the Board pursuant to its authority under Section 15, and no Grants may become effective under this RSU Plan after the date of termination, but such termination shall not affect any Grants which became effective pursuant to this RSU Plan prior to such termination.

20. Severability

The invalidity or unenforceability of any provision of this RSU Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this RSU Plan or the DSU Plan. The DSU Plan is intended to remain valid and enforceable separate and apart from any provision of this RSU Plan.

21. Successors and Assigns

This RSU Plan shall be binding on all successors and assigns of the Corporation.

22. Notice

Any notice, direction, payment or other communication required, permitted or contemplated by this RSU Plan shall be in writing and shall be sufficiently given if mailed by prepaid registered mail or delivered to the Corporation at its head office and to the Participant at his or her address as shown on the books and records of the Corporation. Any such notice or other communication, if mailed, shall be deemed to have been given on the fifth day (including Saturdays, Sundays and statutory holidays) after the date of mailing and, if delivered, at the time of delivery, as the case may be. Any party may at any time or from time to time by notice given as aforesaid to the parties, change its address for such notice or other communication.

Appendix A: Deferred Share Unit Plan

1. Purpose of the Plan

A deferred compensation plan for directors, officers, and key employees of Matrikon Inc. and its affiliates is hereby established. The purpose of the plan is to promote the interests of the Corporation by enhancing its ability, and that of its affiliates, to attract and retain talented individuals to serve as members of its board of directors and as corporate officers and key employees. This plan is intended to be used to promote the alignment of interests between such individuals and the corporation's shareholders.

2. Definitions

As used in this deferred share unit plan, the following terms have the following meanings.

"ABCA" means the *Business Corporations Act* (Alberta) or its successor, as amended from time to time.

"**Affiliated Companies**" shall have the meaning ascribed to the term "affiliated bodies corporate" by the ABCA and shall include such other entities as may be determined by the Committee.

"**Board**" means the board of directors of the Corporation.

"**Committee**" means the Compensation and Governance Committee of the Board, or such other committee of the Board as may be given the responsibility to act on behalf of the Board with respect to this DSU Plan or, in the absence of any such committee, the Board itself.

"**Corporation**" means Matrikon Inc. and its successors and assigns.

"**Deferred Share Unit**" or "**DSU**" means a bookkeeping entry equivalent in value to a Share credited to a Participant's DSU Account under this DSU Plan after an election by a Participant under Section 6.1(b) of the RSU Plan.

"**Deferred Share Unit Account**" or "**DSU Account**" has the meaning set forth at Section 6.1 of this DSU Plan.

"**DSU Plan**" means this deferred share unit plan, as amended from time to time.

"**DSU Share**" means a Share delivered to a Participant in accordance with the provisions of this DSU Plan.

"**Grant**" means any Deferred Share Unit credited to the DSU Account of a Participant under this DSU Plan after an election by a Participant under Section 6.1(b) of the RSU Plan.

"**Notice of Redemption**" means written notice, on a prescribed form, by the Participant or his or her legal personal representative to the Corporation, giving notice of the Participant's wish to redeem his or her DSUs for Shares.

"**Participant**" means an individual who has elected to receive DSUs pursuant to the terms of the RSU Plan.

"**RSU Plan**" means the Corporation's restricted share unit plan, as it may be amended from time to time.

"**Share**" means a common share in the capital of the Corporation.

"**Termination Date**" means the date upon which a Participant ceases to hold any position as a director or officer or employee of the Corporation or its Affiliated Companies and is no longer otherwise employed by the Corporation or its Affiliated Companies, including, without limitation, the date of death, onset of a disability that entitles a Participant to receive benefits under a long term disability plan sponsored by the Corporation or an Affiliated Company, termination of employment, leave of absence, or retirement of the Participant.

References to "Sections" are to numbered sections of this DSU Plan and not to sections of the RSU Plan unless otherwise indicated.

3. Administration of DSU Plan

The Committee shall have the power, where consistent with the general purpose and intent of this DSU Plan and subject to the specific provisions of this DSU Plan to: establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of this DSU Plan and to amend and rescind such rules and regulations from time to time; interpret and construe this DSU Plan and to determine all questions arising out of this DSU Plan and any

such interpretation, construction or determination made by the Committee shall be final, binding and conclusive for all purposes; and prescribe the form of the instruments used in conjunction with this DSU Plan.

4. Taxes and Other Source Deductions

The Committee may adopt and apply rules that in its opinion will ensure that the Corporation and its Affiliated Companies will be able to comply with applicable provisions of any federal, provincial, state or local law or other law relating to the withholding of tax in respect of a Participant. The Corporation, or an Affiliated Company, may withhold from a Participant and sell on behalf of a Participant, such number of DSU Shares as may be necessary, and may withhold any amount payable to a Participant, either under the terms of the Participant's employment, or otherwise, or may require a Participant to pay cash, to ensure that the Corporation or an Affiliated Company will be able to comply with applicable provisions of any federal, provincial, state or local law relating to withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Participant in respect of this DSU Plan or the issuance of any DSU Shares.

5. Redemption of DSUs

- 5.1. The Corporation shall as of the Termination Date of a Participant, subject to the receipt of any necessary shareholder and regulatory approvals, issue to the Participant such number of Shares from treasury as equal the number of DSUs recorded in the Participant's account on the Termination Date. If the Corporation issues Shares as aforesaid, such Shares will be issued in consideration for the past services of the Participant to the Corporation or an Affiliated Company and the entitlement of the Participant under this DSU Plan shall be satisfied in full by such issuance of Shares. The Corporation will also make a cash payment, less any applicable withholding taxes, to the Participant with respect to the value of fractional DSUs standing to the Participant's credit after the required number of whole Shares have been issued by the Corporation as described above. Any Shares to be issued or amounts to be paid shall be issued or paid promptly by the Corporation and in any event no later than the end of the first calendar month commencing after the Termination Date.
- 5.2. The Corporation shall not be required to issue or cause to be delivered Shares or issue or cause to be delivered certificates evidencing Shares to be delivered in respect of any DSUs unless and until such issuance and delivery can be completed in compliance with the applicable laws, regulations, rules, orders of governmental or regulatory authorities and the requirements of all applicable stock exchanges upon which Shares are listed. The Corporation shall be obligated to take all reasonable action on a timely basis, to comply with any such laws, regulations, rules, orders, or requirements.
- 5.3. If permitted by applicable law, a Participant may appoint a death beneficiary of his or her rights under this DSU Plan. For this purpose, the beneficiary must be a dependent, related person, or the estate of the Participant.

6. Deferred Share Unit Account – Adjustment for Dividends

- 6.1. Certificates will not be issued to evidence DSUs. Book entry accounts, to be known as the "Deferred Share Unit Account" shall be maintained by the Corporation for each Participant and will be credited with DSUs granted to a Participant from time to time.
- 6.2. In the event that cash dividends are paid on the Shares following an Effective Date, additional DSUs will be credited to the Participant's Deferred Share Unit Account. The number of such additional DSUs will be calculated by dividing the total aggregate amount of dividends that would have been paid to such Participant if the DSUs in the Participant's Deferred Share Unit Account had been Shares held by the Participant on the date dividends are declared, by the value of a DSU Share on the date when a dividend is declared, as determined by the Committee acting reasonably, and credited to the Participant's Deferred Share Unit Account as at the date on which the dividends were paid on the Shares. The additional DSUs will vest on the same date as the DSUs to which they relate. Fractional additional DSUs to two (2) decimal places shall be credited to the Participants' Deferred Share Unit Account. However, no fractional DSU Shares shall be issued in respect of fractional DSUs. The number of Shares issued in respect of a fractional DSU shall be the nearest whole number of Shares determined by rounding the fractional number up or down to the closest whole number as required.

7. Adjustments and Reorganizations

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of Corporation assets to shareholders, or any other change affecting shares, such proportionate adjustments, if any, as the Committee in its discretion may reasonably deem appropriate to reflect such change, shall be made with respect to the number of DSUs outstanding under this DSU Plan.

8. DSU Plan Amendment

No amendment of this DSU Plan that adversely affects the interests of the Participants may be made without the written approval of the affected Participants. Notwithstanding the foregoing, the Committee may amend and correct any defect or supply any omission or reconcile any inconsistency in this DSU Plan in the manner and to the extent deemed necessary or desirable. Any amendment of this DSU Plan shall be such that this DSU Plan continuously meets the requirements of paragraph 6801(d) of the Regulations to the *Income Tax Act* (Canada) or any successor provision thereto.

9. DSU Plan Termination

All DSUs which remain outstanding in any Participant's DSU Account shall continue to be dealt with according to the terms of this DSU Plan. For greater certainty, Dividend Equivalents shall continue to be awarded, as appropriate, in respect of all outstanding DSUs pursuant to this DSU Plan. This DSU Plan shall terminate when all Shares in respect of

all DSUs outstanding in Participants' DSU Accounts have been issued.

10. Final Determination

Any determination or decision by or opinion of the Committee made or held pursuant to the terms of this DSU Plan shall be final, conclusive and binding on all parties concerned. All rights, entitlements and obligations of Participants under this DSU Plan are set forth in the terms of this DSU Plan and except as provided in this DSU Plan, cannot be modified by any other documents, statements or communications.

11. No Right to Employment

Participation in this DSU Plan shall not be construed as giving any Participant a right to continued employment by the Corporation or its Affiliated Companies.

12. No Other Benefit

No adjustments shall be made and no amount will be paid to, or in respect of, a Participant under this DSU Plan to compensate for a downward fluctuation in the price of Shares nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

13. No Shareholder Rights

Under no circumstances shall DSUs be considered Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares nor shall any Participant be considered the owner of Shares by virtue being a Participant in respect of any DSUs.

14. Reorganization of the Corporation

The existence of any DSUs shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's or any Affiliated Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or any Affiliated Company, or to create or issue any bonds, debentures, shares or other securities of the Corporation or any Affiliated Company, or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any Affiliated Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

15. Successors and Assigns

This DSU Plan shall be binding on all successors and assigns of the Corporation.

16. General Restrictions and Assignment

Except as required by law and as permitted by the provisions of this DSU Plan, the rights of a Participant under this DSU Plan are not capable of being anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

17. Acceptance of Terms By Participant

Participation in this DSU Plan by any Participant shall be construed as acceptance of the terms and conditions of this DSU Plan, and the amendment of the terms of the

Participant's employment by the Corporation or an Affiliated Company accordingly, and as to the Participant's agreement to be bound thereby.

18. Governing Law

The validity, construction and effect of this DSU Plan and any actions taken or relating to this DSU Plan shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein.

19. Severability

The invalidity or unenforceability of any provision of this DSU Plan or the RSU Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this DSU Plan or the RSU Plan.

20. Notice

Any notice, direction, payment or other communication required, permitted or contemplated by this DSU Plan shall be in writing and shall be sufficiently given if mailed by prepaid registered mail or delivered to the Corporation at its head office and to the Participant at his or her address as shown on the books and records of the Corporation. Any such notice or other communication, if mailed, shall be deemed to have been given on the fifth day (including Saturdays, Sundays and statutory holidays) after the date of mailing and, if delivered, at the time of delivery, as the case may be. Any party may at any time or from time to time by notice given as aforesaid to the parties, change its address for such notice or other communication.

Appendix 5 – President & CEO Position Description

The President & Chief Executive Officer (the CEO) is accountable to the Board of Directors for the effective overall management of Matrikon, and for conformity with policies agreed upon by the Board.

The CEO shall have full responsibility for the day-to-day operations of Matrikon's business in accordance with Matrikon's strategic plan, current year operating and capital expenditure budgets as approved by the Board of Directors.

The approval of the Board of Directors (or appropriate Committee) shall be required for all significant decisions outside of the ordinary course of Matrikon's business, including major financings, acquisitions, dispositions, budgets and capital expenditures.

In addition to any CEO duties specified in the Charter of Expectations for the Board and Individual Directors, the primary accountabilities of the CEO are:

- Fostering a corporate culture that promotes ethical practices and encourages individual integrity.
- Maintaining a positive and ethical work climate that is conducive to attracting, retaining and motivating top-quality employees at all levels.
- Providing leadership and vision to manage Matrikon in the best interests of its shareholders.
- Developing a long-term strategy and vision for Matrikon.
- Developing an annual operating plan and financial budget that support Matrikon's long-term strategy.
- Strategy and implementation for major mergers, acquisitions and divestitures.

- Ensuring that Matrikon's day-to-day business affairs are appropriately managed by developing and implementing processes that will ensure the achievement of financial and operating goals and objectives.
- Designing or supervising the design and implementation of effective disclosure and internal controls.
- Formulating and overseeing the implementation of major corporate policies.
- Establishing a strong working relationship with the Board of Directors.
- Keeping the Board of Directors aware of Matrikon's performance and events affecting its business, including opportunities in the marketplace and adverse or positive developments.
- Serving as the chief spokesperson for the company and establishing Matrikon's communications framework and strategy.
- Ensuring, in cooperation with the Board, that there is an effective succession plan in place for the CEO position.
- Ensuring that Matrikon has an effective management team below the level of the CEO, and has an active plan for its development and succession.
- Ensuring that there is clarity of objectives and focus for all employees and ensuring that there are clear and appropriate standards and measures of performance.

Appendix 6 – Board Chair Position Description

The Chair of the Board plays a critical leadership role in promoting the optimum functioning of the board of directors, and in maintaining a positive working relationship with the Chief Executive Officer and the management team.

The Chair position description will:

- assist the Board to focus on the desired skill sets when nominating an individual to chair the Board.
- provide a basis to assess the performance of the Chair; and
- give a new Chair insight into the responsibilities of the position.

Appointment

The Board shall elect a Chair (the Chair) from the existing Board members.

Where a vacancy occurs at any time in the Chair's position, the Board will elect a member to fill the position.

Reporting Relationship and Responsibilities

The prime responsibility of the Chair of the Board is to chair effective Board and Shareholder meetings, monitor and oversee the strategic agenda of Matrikon, provide leadership and advice respecting the business planning processes, Corporate Governance and supporting materials provided to the Board.

The Chair shall strive to ensure the responsibilities of the Board are well understood by both the Board and management and that the boundaries between the Board and management are clearly understood and respected.

Objectives and Principal Duties

The Chair functions in a leadership capacity, and has a statutory authority and obligation to preside over meetings of the Board, and to perform the duties and exercise the powers assigned by the Board.

In performing this function, and in addition to any duties specified in the Charter of Expectations for the Board and Individual Directors, the Chair shall:

- chair meetings of the Board, ensuring that meetings are properly convened, business is conducted legally and accurate minutes of proceedings are recorded;
- working with the CEO, set Board meeting schedules, establish agendas that address areas within the Board's responsibility and ensure the information packages and presentations are focused and of appropriate length, content and context to support sound decisions;
- encourage full participation by directors in and vigorous debate of issues at meetings, creating an open atmosphere for directors to ask questions or dissent freely;

- maintain open channels of communication with directors between meetings;
- provide leadership in the adoption by the Board of good corporate governance practices which will ensure a strong, viable and competitive corporation
- provide leadership in Board organization, effectiveness and renewal, making recommendations respecting optimum Board and committee structure, processes, operation and membership;
- take a lead role in assessing and addressing any concerns related to the performance of the Board as a whole, committees of the Board or individual directors;
- assist directors, collectively and individually, to achieve full utilization of individual abilities, recommending director orientation and training opportunities where required;
- work with committee chairs to establish effective communication and information-sharing mechanisms and clear delineation of responsibilities between committees of the Board;
- as an *ex-officio* member of all Board committees, attend committee meeting, where appropriate.
- coach, support and assist the CEO by:
 - building an open and constructive working relationship between the CEO, senior management and the Board;
 - ensuring that information management processes support the early identification of issues appropriately addressed by the Board;
 - communicating Board directives and requests to the CEO and reporting responses to the Board; and
 - communicating with the CEO between meetings;
 - contributing to the performance assessment and compensation review process of the CEO;
- working with the CEO, develop and maintain productive relationships with all stakeholders
- provide leadership in the Board's representation and protection of the interests of shareholders.

Other

Where the Chair is not an independent director, the Chair's responsibilities, objectives and principal duties shall be varied as necessary for the Lead Director to carry out his/her responsibilities, objectives and principal duties.

Appendix 7 – Lead Director Position Description

The Lead Director role exists to provide leadership to the Board in those particular instances where the Chairman is not independent and unrelated. Fundamentally, the role exists to ensure that the Board operates independently of management and that Directors have an independent leadership contact.

Responsibilities of the Lead Director include:

- Acting as a member of the Compensation and Corporate Governance Committee (“the Governance Committee”).
- Chairing the Board in the absence of the Chairman.
- As requested by the Board, acting as a liaison between the Board and CEO.
- Establishing, in consultation with the Chairman and the Governance Committee, procedures to govern the Board’s work.
- In concert with the Chairman, setting the agenda for Board meetings, based on input from Directors and, when applicable, organizing pre-meeting consultations with the Board regarding same.
- In concert with the Chairman and CEO, ensuring the appropriate flow of information to the Board

and reviewing adequacy and timing of documentary materials in support of management’s proposals.

- Holding one-on-one discussions with individual Directors when the Governance Committee or the Board so requests.
- Ensuring that the Governance Committee:
 - Evaluates the operation and effectiveness of the Board, for example through an annual process;
 - Organizes the Board’s evaluation of the Chairman of the Board, and provides the Chairman with this feedback; and
 - Works with the Chairman to ensure planning for Committee member and Committee Chair succession.
- Meeting with Directors annually on a one-on-one basis to assess areas where the Board and/or Committees can operate more effectively.
- Carry out other duties as requested by the Governance Committee and the Board.

Appendix 8 – Audit Committee Chair Position Description

In addition to the responsibility and specific duties set out in the Charter of Expectations for the Board and Individual Directors and the Terms of Reference of the Audit Committee, the Chair (Chair) of the Audit Committee (Committee) of Matrikon Inc. (Matrikon) has the responsibility and specific duties described below.

Appointment

The Chair will be a duly elected member of the Board of Directors (Board) and be appointed by the Board as the Committee Chair each year. The Chair will be independent under the definition of Multilateral Instrument 52-110 Section 1.4 and any other applicable law and will have the competencies and skills determined by the Compensation and Governance Committee and the Board.

Responsibility

The Chair provides independent, effective leadership to the Committee and leads the Committee in fulfilling the duties set out in its Terms of Reference.

The Chair will:

Leadership

- Provide overall leadership to enhance the effectiveness of the Committee.
- Take all reasonable steps to ensure that the responsibility and duties of the Committee, as outlined in its Terms of Reference, are well understood by the Committee members and executed as effectively as possible.

Ethics

- Foster ethical and responsible decision making by the Committee and its individual members.

Committee Governance

- Provide effective Committee leadership, overseeing all aspects of the Committee's direction and administration in fulfilling its Terms of Reference.
- With the Compensation and Governance Committee, oversee the structure, composition, membership and activities delegated to the Committee.
- Bring to the attention of the Board if the Committee is not composed entirely of independent directors under the definition of Multilateral Instrument 52-110 and applicable law.

Committee Meetings

- Ensure that the Committee meets at least four times annually and as many additional times as necessary to carry out its duties effectively.
- With the Board Chair, other Committee members, the Secretary, members of Management and outside advisors, as appropriate, establish the agenda for each Committee meeting.
- Chair all meetings of the Committee, including closed sessions and in camera sessions. If the Committee Chair is not present, the Committee members present will elect

a Committee member to chair the meeting.

- Ensure sufficient time during Committee meetings to fully discuss agenda items.
- Encourage Committee members to ask questions and express viewpoints during meetings.
- Deal effectively with dissent and work constructively towards arriving at decisions and achieving consensus.
- Ensure that the Committee meets in separate, regularly scheduled, non-management, closed sessions with the independent auditors.
- Ensure that the Committee meets in separate, regularly scheduled, non-management, in camera sessions.
- Ensure that the Committee meets in separate, non-management, closed sessions with internal personnel or outside advisors, as needed or appropriate.

Committee Reporting

- Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.
- Ensure that Committee materials are available to any Director on request.

Committee / Management Relationships

- Take all reasonable steps to ensure that Committee members receive written information and are exposed to presentations from Management to fulfill the Committee Mandate.
- Facilitate effective communication between Committee members and Management, both inside and outside of Committee meetings.
- Have an effective working relationship with members of Management.

Advisors / Resources

- Ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently.
- Coordinate with the Committee to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.

Other

- Carry out any other appropriate duties and responsibilities assigned by the Board or delegated by the Committee.
- To honour the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to this Position Description is delegated to the Secretary.
- Once or more annually, as the Compensation and Governance Committee decides, this Position Description will be fully evaluated and updates recommended to the Board for consideration.

Appendix 9 – Compensation & Governance Committee Chair Position Description

In addition to the responsibility and specific duties set out in the Charter of Expectations for the Board and Individual Directors and the Compensation, Governance and Nominating Committee Terms of Reference, the Chair (Chair) of the Compensation and Governance (Committee) of Matrikon Inc. (Matrikon) has the responsibility and specific duties described below.

Appointment

The Chair will be a duly elected member of the Board of Directors (Board) and be appointed by the Board as the Committee Chair each year. The Chair will be independent under the definition of Multilateral Instrument 52-110 Section 1.4 and any other applicable law and will have the competencies and skills determined by the Compensation and Governance Committee and the Board.

Responsibility

The Chair provides independent, effective leadership to the Committee and leads the Committee in fulfilling the duties set out in its Terms of Reference.

The Chair will:

Leadership

- Provide overall leadership to enhance the effectiveness of the Committee.
- Take all reasonable steps to ensure that the responsibility and duties of the Committee, as outlined in its Terms of Reference, are well understood by the Committee members and executed as effectively as possible.

Ethics

- Foster ethical and responsible decision making by the Committee and its individual members.

Committee Governance

- Provide effective Committee leadership, overseeing all aspects of the Committee's direction and administration in fulfilling its Terms of Reference.
- Oversee the structure, composition, membership and activities delegated to the Committee.
- Bring to the attention of the Board if the Committee is not composed entirely of independent directors under the definition of Multilateral Instrument 52-110 and applicable law.

Committee Meetings

- Ensure that the Committee meets at least two times annually and as many additional times as necessary to carry out its duties effectively.
- With the Board Chair, other Committee members, the Secretary, members of Management and outside advisors, as appropriate, establish the agenda for each Committee meeting.
- Chair all meetings of the Committee, including closed sessions and in camera sessions. If the Committee Chair is not present, the Committee members present will elect a Committee member to chair the meeting.
- Ensure sufficient time during Committee meetings to fully discuss agenda items.
- Encourage Committee members to ask questions and express viewpoints during meetings.

- Deal effectively with dissent and work constructively towards arriving at decisions and achieving consensus.
- Ensure that the Committee meets in separate, regularly scheduled, non-management, in camera sessions.
- Ensure that the Committee meets in separate, non-management, closed sessions with internal personnel or outside advisors, as needed or appropriate.

Committee Reporting

- Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.
- Ensure that Committee materials are available to any Director on request.

Committee / Management Relationships

- Take all reasonable steps to ensure that Committee members receive written information and are exposed to presentations from Management to fulfil the Committee Mandate.
- Facilitate effective communication between Committee members and Management, both inside and outside of Committee meetings.
- Have an effective working relationship with members of Management.

Evaluations

- Ensure that a performance evaluation of the Committee and the Committee Chair is conducted, soliciting input from all Committee members, other Directors and appropriate members of Management.
- Ensure that the annual Matrikon Board, Committee and Director effectiveness and performance evaluations are conducted.

Advisors / Resources

- Ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently.
- Coordinate with the Committee to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.

Other

- Carry out any other appropriate duties and responsibilities assigned by the Board or delegated by the Committee.
- To honour the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to this Position Description is delegated to the Secretary.
- Once or more annually, as the Committee decides, this Position Description will be fully evaluated and updates recommended to the Board for consideration.

Appendix 10: Terms of Reference of the Compensation & Governance Committee

A. OVERVIEW AND PURPOSE

The Compensation, Governance and Nominating Committee (the "Committee") is a committee of the Board of Directors and reports to the Board. The Committee is responsible for reviewing compensation levels of senior management and for providing advice to the Board concerning the general oversight of compensation and governance matters to assist the Board in the dispatch of its overall stewardship responsibility for the Corporation. The Committee also sits as the Nominating Committee of the Board. When sitting as the Nominating Committee, the primary objective of the Committee is to assist the Board by identifying individuals qualified to become Board members, and annually recommending director nominees for the next annual meeting of shareholders. The Committee provides advice and assistance to the Board, when necessary, with respect to potential successors to the Chief Executive Officer of the Corporation. The Committee may properly be referred to as the 'Compensation and Governance Committee'.

B. MEMBERSHIP AND ATTENDANCE AT MEETINGS

1. The members of the Committee shall consist of three directors appointed by the Board.
2. The chair of the Committee shall be designated by the Board.
3. Attendance by invitation at all or a portion of Committee meetings is determined by the Committee chair or its members and would normally include the Chief Executive Officer or the Chief Financial Officer, and the Secretary of the Corporation and such other corporate officers or support staff as may be deemed appropriate.

C. RESPONSIBILITIES AND AUTHORITY – COMPENSATION

1. Conduct a periodic review, not less than annually, and report to the Board for approval of any recommended changes of the following:
 - a. officers' salaries and the general salary structure of the Corporation and its subsidiaries, and salary administration procedures;
 - b. employee pension plans and trends and developments in the pension area; and
 - c. employee benefits generally, including the Corporation's stock option plans and stock purchase plans.
2. Review incentive bonus arrangements for senior officers and, if and when approved by the Board, oversee the implementation and administration thereof.
3. Ensure compliance with compensation disclosure requirements and approve the report on executive compensation for the Corporation's Annual Information Circular.
4. Annually review the adequacy and form of compensation of the directors to ensure the compensation realistically reflects the responsibilities and risk involved in being an effective director and

make appropriate recommendations to the Board for approval.

5. At the request of the Board, consider any other matters which would assist the directors to meet their responsibilities regarding compensation matters.
6. Report to the Board as required.

D. RESPONSIBILITIES AND AUTHORITY – GOVERNANCE

1. To assist the Board in meeting its responsibility for the stewardship of the Corporation, the Committee shall review the following matters, at least annually, to ensure that such items are being addressed by the Corporation and the Board:
 - a. adoption of a corporate strategy and a strategic planning process;
 - b. adoption on an annual basis of the corporate objectives for which the Chief Executive Officer is responsible;
 - c. senior management succession planning, including the appointment, training and monitoring thereof; and
 - d. the communications policy for the Corporation.
2. Ensure each Board committee annually reviews its scope, duties and responsibilities and recommends to the Board amendments thereto, where advisable.
3. Ensure that an appropriate orientation and education program is provided to new board members.
4. Annually conduct a candid assessment of the effectiveness of the Board and the committees of the Board, including the Committee, and report on such assessment to the full Board. In performing its annual assessment, the Committee should seek out and receive comments from all Directors as to the Board's performance and any other matters of concern.
5. Prepare and review from time to time, for board approval, a statement of the duties and responsibilities of the Board and the position descriptions of the offices of Chairman of the Board and Chief Executive Officer.
6. Review and make recommendations to the Board as required on significant corporate governance issues relating to functional and operational matters pertaining to the Board, including but not limited to:
 - a. monitoring the ongoing development and maintenance of the Corporation's approach to corporate governance issues, including the statement of corporate governance guidelines;
 - b. considering new matters or guidelines established by any stock exchange or other regulatory body which regulates the affairs of the Corporation; and

- c. reviewing the description of the Corporation's system of corporate governance in its annual report or Information Circular.
- 7. Review and approve, if appropriate, the request of individual directors to engage outside advisors at the expense of the Corporation.
- 8. Review executive management performance with the Board at least once per year.
- 9. Review the Corporation's succession plans for all executive management positions and provide a report to the Board at least once per year.
- 10. At the request of the Board, consider any other matters which would assist the directors to meet their responsibilities regarding corporate governance matters.
- 11. Review annually the terms of reference for the Committee and recommend any required changes for approval by the Board.
- 12. Report to the Board as required.

E. RESPONSIBILITIES AND AUTHORITY – NOMINATIONS

- 1. Annually consider the composition of the Board and prepare recommendations to the Board for nominees for appointment to the Board by the shareholders. In this process, the views and recommendations of the Chairman of the Board, the Chief Executive Officer and all members of the Board will be sought and considered.
- 2. When required, the Committee will seek out and recommend to the Board, new nominees for appointment to the Board by the shareholders.
- 3. When identifying individuals qualified to become members of the Board, the Committee may conduct such inquiries and background checks respecting such individuals as it wishes.
- 4. At least annually, or as required, review and recommend to the Board for approval, the need, composition, membership and chairs of Board committees.
- 5. The Committee shall have the authority to retain a search firm or other advisors to identify Director or Chief Executive Officer candidates and to assist it with any background checks.

F. MEETINGS

- 1. Meetings of the Committee are held as required.
- 2. The Committee shall meet as the Nominating Committee at least two times per year and more frequently as circumstances require. Committee meetings as the Nominating Committee may be coincidental with meetings of the Committee in its Compensation and Governance capacity.
- 3. Meetings may be called by the Committee chair or by a majority of the Committee members, and usually in consultation with the management of the Corporation.
- 4. Meetings are chaired by the Committee chair or, in the chair's absence, by a member chosen by the Committee from among themselves.

- 5. A quorum for the transaction of business at any meeting of the Committee is a majority of members.
- 6. The Secretary of the Corporation shall provide for the delivery of notices, agendas and supporting materials to the Committee members at least five (5) days prior to the date of the meeting, except in unusual circumstances.
- 7. Meetings may be conducted with members physically present, or present by telephone or other communications facilities which permit all persons participating in the meeting to hear or communicate with each other.
- 8. A written resolution signed by all Committee members entitled to vote on that resolution at a meeting of the Committee is as valid as one passed at a Committee meeting.
- 9. The Secretary of the Corporation shall be the secretary for the Committee and keep a record of minutes of all meetings of the Committee.
- 10. Minutes of the meetings of the Committee, prepared in draft, shall be distributed by the Secretary of the Corporation to all members of the Committee within seven (7) working days of each meeting, and shall be submitted for approval at the next regular meeting of the Committee.