



2008 Information Circular

November 5, 2008

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Date of information

All information contained in this Information Circular is dated November 5, 2008 unless otherwise stated. All documents incorporated by reference in this Annual Information Form are available on SEDAR at www.sedar.com.

Forward Looking Statements

In order to provide our investors with an understanding of our current results and future prospects, our communications often include written or oral forward-looking statements. This information circular and other material filed with the Canadian securities regulators contain statements that are forward-looking. These statements are made pursuant to the “safe harbor” provisions of applicable Canadian securities legislation. These statements represent Matrikon’s intentions, plans, expectations and beliefs and are based on our experience and our assessment of historical and future trends and the application of key assumptions relating to future events and circumstances. These statements may include, but are not limited to, comments about our objectives and priorities for 2008 and beyond, strategies and targets, expectations for our financial condition, and the outlook for our operations and external factors that may impact results, including global economies and industry trends.

Forward-looking statements require assumptions and involve risks and uncertainties related to our business and the general economic environment, many beyond our control. There is significant risk that the predictions, forecasts, conclusions or projections we make will not prove to be accurate and that our actual results will be materially different from the targets, expectations, estimates or intentions expressed in the forward-looking statements. We caution readers of this information circular not to place undue reliance on our forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic conditions in the countries in which we operate; currency fluctuations; market demand for our products and services; our ability to execute projects and deliver solutions; our ability to execute our strategic plans and to complete and integrate acquisitions; the degree of competition in the geographic and business areas in which we operate; our ability to attract and retain qualified employees and contain payroll costs; our ability to contain expenses; technological changes and research and development; the length of the sales cycle required to close larger solution contracts; availability of financial resources to carry out our strategy; our ability to protect our intellectual and intangible properties; legal claims; critical accounting estimates; the possible effects on our business of war or terrorist activities; disease or illness that affects local, national or international economies; and disruptions to public infrastructure, such as transportation, communications, power or water supply. We caution that this list is not exhaustive of all possible factors.

Other factors could adversely affect our results. For more information, please see the discussion on the principal risks that could affect our results, beginning on page 52 of Matrikon’s 2008 Annual Report.

When relying on forward-looking statements to make decisions with respect to Matrikon, investors should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Unless required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the company or on its behalf.

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 11, 2008. We are pleased to host this event at our corporate headquarters in Edmonton, Alberta.

WHEN: Thursday, December 11, 2008
1:00 pm MT (Edmonton time)

WHERE: Matrikon Inc.
Suite 1800
10405 Jasper Avenue
Edmonton, Alberta

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

If you RSVP, you must still follow the instructions in the attached information form to maintain the right to vote your proxy in person at the meeting.

This is your opportunity to meet your directors and management team and to hear about our financial results of 2008 and our plans for the future.

YOUR VOTE IS IMPORTANT

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 continued interest in our company and look forward to meeting you and answering your questions.

Sincerely,



Nizar J. Somji
President & Chief Executive Officer

November 5, 2008

Notice of Annual & Special Meeting of Shareholders

The 2008 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 Thursday, December 11, 2008 at 1:00 p.m. (Mountain Standard Time) to:

1. receive and consider our 2008 audited financial statements;
2. elect the directors of Matrikon for 2008;
3. appoint auditors for 2008;
4. consider and, if you feel it appropriate, approve the unallocated restricted share units under Matrikon's restricted share unit (RSU) plan; and
5. transact any other business properly brought before the meeting.

The Information Circular contains more information on these matters. Our 2008 audited financial statements are included in our Annual Report being mailed with the Circular.

Shareholders as of November 3, 2008 will be entitled to vote at the meeting. The number of eligible votes that may be cast at this meeting is 30,946,311, the total number of common shares of Matrikon outstanding on November 3, 2008.

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 Valiant Trust Company no later than 5:00 p.m. (Mountain Standard Time) on Tuesday, December 9, 2008.

By order of the board of directors,



Dwight I. Bliss
Corporate Secretary

Management Information Circular

Q&A on Voting and Proxies

Q: WHEN IS THE ANNUAL & SPECIAL MEETING?

A: Thursday, December 11, 2008 at 1:00 p.m. (MT) 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 for 2009
- vote on the appointment of KPMG LLP as the auditors for 2009
- vote on the unallocated restricted share units under Matrikon's RSU plan

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 November 3, 2008. Each common share is entitled to one vote on the items of business identified in this Information Circular. At November 3, 2008, 30,946,311 common shares were issued and outstanding.

Q: WHAT IF I ACQUIRED MY SHARES AFTER NOVEMBER 3RD?

A: If you acquired shares after November 3, 2008, 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, Valiant Trust Company (see Valiant'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, Valiant 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 corporate 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.** Provide 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, Valiant 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 Valiant Trust Company when they arrive at the meeting.

Q: WHAT DO I DO WITH MY COMPLETED PROXY?

A: Return it to Valiant Trust Company in the envelope provided, or by fax to 403-233-2857 so that it arrives no later than 5:00 pm (Mountain Standard Time) on Tuesday, December 9, 2008. 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 Matrikon's management in order to vote your shares as you instruct at the annual and special meeting.

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
 Approval of RSU allocation 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 Valiant Trust Company no later than 5:00 pm Mountain Standard Time on December 9, 2008 or to the chair 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 this Information Circular and the form of proxy to all 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. In addition, annual reports are sent to those shareholders who previously requested 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: Our transfer agent, Valiant 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.

Q: HOW CAN I CONTACT THE TRANSFER AGENT?

A: By Mail: Valiant Trust Company
 Corporate & Shareholder Services
 310, 606 – 4th Street SW
 Calgary, Alberta T2P 1T1

By Phone: 1-866-313-1872

By Email: inquiries@valianttrust.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 5-Nov-08
Nizar J. Somji	9,900,578	31.99%
Crescendo Partners, L.P. ¹	3,911,268	12.64%

¹ Crescendo Partners II LP Series N (3,084,035 shares) and Crescendo Partners III LP (822,365 shares)

Business to be Conducted at the Meeting

1. Financial Statements

Our audited financial statements for the year ended August 31, 2008 will be placed before shareholders for their consideration. The financial statements are contained in the 2008 Annual Report, which was sent with this Information Circular.

2. Election of Directors

The seven (7) nominees proposed for election as directors of Matrikon are listed on pages 7-9. Each of the nominees is currently a director of Matrikon.

Our Articles of Incorporation require a minimum of 3 and a maximum of 15 directors.

Once elected, these directors will hold office until the next shareholder meeting 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.

3. Appointment of Auditors

The board proposes that KPMG LLP be appointed as Matrikon's independent auditors for fiscal year 2008. 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 2009 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.

4. Approval of Unallocated Restricted Share Units (RSUs)

At the December 9, 2005 annual and special meeting, Matrikon replaced its Stock Option Plan with a Restricted Share Unit (RSU) plan.

Section 613(a) of the Toronto Stock Exchange Company Manual requires that any stock-based compensation arrangement without a fixed number of securities be subject to renewal approval every three years. Unallocated entitlements require shareholder approval in addition to approval by a majority of Matrikon's directors.

Matrikon's RSU plan is a security-based compensation arrangement, and the maximum number of shares issuable under the RSU plan is 10% of the shares outstanding at the time of grant on a non-diluted basis, less the aggregate number of shares reserved for issuance under the RSU plan or any other stock-based compensation plan. As such, we are seeking approval for the grant of unallocated RSUs under the RSU plan.

If approval is obtained at the meeting, Matrikon will not be required to seek further approval of the grant of unallocated RSUs under the RSU plan until December 11, 2011.

If approval is not obtained at the meeting, RSUs which were outstanding as of December 11, 2008 will be unaffected; however, RSUs which have not been allocated as of December 11, 2008 will not be available for new grants.

Accordingly, on October 31, 2008 the board unanimously approved, subject to regulatory and shareholder approval, the grant of unallocated RSUs under the RSU plan.

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

BE IT RESOLVED THAT:

1. all unallocated restricted share units issuable pursuant to Matrikon Inc.'s (the "Company") restricted share unit plan are approved and authorized until December 11, 2011; and
2. any one officer or director of the Company be and is hereby authorized to execute and deliver all such agreements and documents, whether under the corporate seal or otherwise, and to take all action, as such officer or director shall deem necessary or appropriate to give effect to the foregoing resolution.

Interest of Certain Persons in Matters to be Acted Upon

None of Matrikon's directors or executive 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 and the approval of shares allocated for the RSU plan.

Nominees for Election to the Board of Directors



Hugh J. Bolton, FCA
Edmonton, Alberta, Canada
Age: 70

Independent – Chair

Director Since:..... March 29, 2001
2008 Meeting Attendance:..... 100%
2008 Director Compensation:..... \$85,000
Common Shareholdings¹:..... 77,746
Change from 2007¹:..... +4,868
Meets minimum shareholding requirement
Committee:..... Compensation & Governance

Principal Occupation:

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

Recent Business Experience:

Mr. Bolton retired as chair 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. (chair), Teck Cominco Limited, The Toronto Dominion Bank, The Canadian National Railway Company, WestJet Airlines Ltd., Alberta Shock Trauma Air Rescue Society

Stock Options:

Number	Price (\$)	Grant	Exercisable	Expiry	Exercised
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	-

* Expiration extended pending lift of blackout

RSUs:

Number	Grant	Vesting Schedule
4,500	7-Jul-06	4,500 (7-Jul-09)



C. Kent Jespersen
Calgary, Alberta, Canada
Age: 62

Independent

Director Since:..... March 29, 2001
2008 Meeting Attendance:..... 89%
2008 Director Compensation:..... \$35,000
Common Shareholdings¹:..... 72,676
Change from 2007¹:..... -4,132
Meets minimum shareholding requirement
Committees:
..... Compensation & Governance (chair)

¹includes 3,100 common shares held by associates or affiliates

Principal Occupation :

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

Recent Business Experience:

Mr. Jespersen is the chair and CEO 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:

Axia Netmedia, CCR Technologies Inc. (chair), Orvana Minerals Corp., TransAlta Corporation

Stock Options:

Number	Price (\$)	Grant	Exercisable	Expiry	Exercised
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	-

* Expiration extended pending lift of blackout

RSUs:

Number	Grant	Vesting Schedule
4,500	7-Jul-06	4,500 (7-Jul-09)



Robert Moore, Ph.D.
Tustin, California, USA

Age: 66

Independent

Director Since:..... March 29, 2001
2008 Meeting Attendance:..... 100%
2008 Director Compensation:..... \$25,000
Common Shareholdings¹:..... 122,899
Change from 2007¹:..... +4,868
Meets minimum shareholding requirement
Committees:..... Audit

Principal Occupation:
Consultant

Recent Business Experience:

Dr. Moore is President of Calventuretech LLC, General Partner of CVTA Fund LP. He is active with Tech Coast Angels (TCA), the largest organization of angel investors helping startup companies in the USA. He was previously chair and CEO of Vigilistics, Inc., one of the portfolio companies of TCA. Previously, he was a founder and president of Gensym Corporation, a public company in Massachusetts that was acquired.

Other Directorships:

Digital Performance, Inc. (retired 2008), Vigilistics Inc. (retired 2008), Bluebeam Software Inc. (retired 2006).

Stock Options:

Number	Price (\$)	Grant	Exercisable	Expiry	Exercised
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	2.89	19-May-04	19-May-05	19-May-10	-
10,000	4.15	28-Apr-05	28-Apr-06	28-Apr-11	-

RSUs:

Number	Grant	Vesting Schedule
4,500	7-Jul-06	4,500 (7-Jul-09)



Michael B. Percy, Ph.D.
Edmonton, Alberta, Canada

Age: 60

Independent

Director Since:..... March 29, 2001
2008 Meeting Attendance:..... 91%
2008 Director Compensation:..... \$25,000
Common Shareholdings¹:..... 33,068
Change from 2007¹:..... +4,868
Meets minimum shareholding requirement
Committees:..... Audit

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., K-Bro Income Trust, Timber Investments Ltd. (Tolko Forest Products), Alberta Life Sciences Institute

Stock Options:

Number	Price (\$)	Grant	Exercisable	Expiry	Exercised
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	-

RSUs:

Number	Grant	Vesting Schedule
4,500	7-Jul-06	4,500 (7-Jul-09)



Janice G. Rennie, FCA
Edmonton, Alberta, Canada

Age: 51

Independent

Director Since:..... January 21, 2003
2008 Meeting Attendance:..... 100%
2008 Director Compensation:..... \$37,500
Common Shareholdings¹:..... 30,189
Change from 2007¹:..... +4,868
Meets minimum shareholding requirement
Committees:..... Audit (chair)

Principal Occupation:

Independent Director

Recent Business Experience:

Mrs. Rennie is an independent director and business advisor. She 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. Mrs. Rennie was also principal of Rennie & Associates, which operated a number of business interests.

Other Directorships:

bcIMC Hospitality Group Inc. (private), Greystone Capital Management Inc. (private), Methanex Corporation, Teck Cominco Limited, West Fraser Timber Co. Ltd.

Stock Options:

Number	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	-

RSUs:

Number	Grant	Vesting Schedule
4,500	7-Jul-06	4,500 (7-Jul-09)



Eric Rosenfeld
New York, New York, USA
Age: 51

Independent

Director Since:.....July 12, 2007
2008 Meeting Attendance:..... 100%
2008 Director Compensation:..... \$25,000
Common Shareholdings¹:.....3,911,268*
Change from 2007¹:.....+758,368
Meets minimum shareholding requirement

Committees:..... Compensation & Governance

**common shares held by affiliates over which Mr. Rosenfeld exercises control:*

- Crescendo Partners II LP Series N (3,084,035 shares)
- Crescendo Partners III LP (822,365 shares)

Principal Occupation:

President & Chief Executive Officer, Crescendo Partners, L.P. (Investment Firm)

Recent Business Experience:

Mr. Rosenfeld is president and CEO of Crescendo Partners, L.P., which he formed in 1998. Prior to forming Crescendo, he was a managing director at CIBC Oppenheimer and its predecessor company, Oppenheimer & Co., Inc. for fourteen years. Mr. Rosenfeld holds an MBA from Harvard University and an A.B. degree in economics from Brown University.

Other Directorships²:

CPI Aerostructures Inc. (chair), Computer Horizons Corp. (chair), Hill International, Primoris Services Corporation, Dalsa Corp. and Cott Corporation

Stock Options:

Nil

RSUs:

Number	Grant	Vesting Schedule
9,000	12-Jul-07	4,500 (12-Jul-09); 4,500 (12-Jul-10)



Nizar J. Somji, P.Eng.
Edmonton, Alberta, Canada
Age: 49

Related – Management

Director Since:..... March 29, 2001
2008 Meeting Attendance:..... 100%
2008 Director Compensation:..... \$nil
Common Shareholdings¹:.....10,612,154*
Change from 2007¹:.....+4,868
Meets minimum shareholding requirement

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

Principal Occupation:

President & Chief Executive Officer, Matrikon Inc. (Industrial Technology)

Recent Business Experience:

Nizar is the founder, president and CEO of Matrikon Inc. He is also president of Jaffer Inc., a consulting company offering a broad range of services for small business owners as well as assistance with mergers and acquisitions. He is a frequent guest speaker for industry associations and business groups and regularly contributes to a variety of publications.

Other Directorships:

Optimal Geomatics Inc.

Stock Options:

Nil

RSUs:

Number	Grant	Vesting Schedule
4,500	7-Jul-06	4,500 (7-Jul-09)

¹ “Common Shareholdings” and “Change from 2007” refer to the number of common shares of Matrikon beneficially owned, or over which control or direction is exercised, by the nominee as of November 5, 2008 and as of November 1, 2007.

² Mr. Rosenfeld was a director of Hip Interactive Corp in 2005 while a cease trade order was issued because the company did not file its year-end financial information. Mr. Rosenfeld then resigned from the board. An interim receiver was later appointed.

Board of Directors

Director Compensation

As at November 5, 2008, Matrikon has 7 directors, including 6 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.

Effective January 1, 2006, director compensation was structured as follows:

- *Annual director retainer:*
\$12,500 per year
- *Board meeting fee:*
\$12,500 per year
- *Board chair retainer:*
\$60,000 per year (in addition to the annual director retainer and meeting fee)
- *Lead director retainer:*
\$15,000 per year (in addition to the annual director retainer and meeting fee)
- *Annual audit committee chair retainer:*
\$12,500 per year (in addition to the annual director retainer and meeting fee)
- *Annual compensation and governance committee chair retainer:*
\$10,000 per year (in addition to the annual director retainer and meeting fee)

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 (including expense reimbursements) paid to all directors during the fiscal year ended August 31, 2008 was \$244,911 (2007 – \$257,019).

Non-Employee Director Compensation

Director	Annual Director Retainer	Board Meeting Retainer	Committee Chair Retainer	Other Retainer	Total
Hugh Bolton	\$12,500	\$12,500	\$-	\$60,000	\$85,000
Kent Jespersen	12,500	12,500	10,000	-	35,000
Robert Moore ¹	12,500	12,500	-	-	25,000
Michael Percy	12,500	12,500	-	-	25,000
Janice Rennie	12,500	12,500	12,500	-	37,500
Eric Rosenfeld ¹	12,500	12,500	-	-	25,000

Director	Annual Director Retainer	Board Meeting Retainer	Committee Chair Retainer	Other Retainer	Total
Nizar J. Somji	-	-	-	-	-

¹ Mr. Rosenfeld & Dr. Moore are paid in equivalent US dollars

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 November 5, 2008, all directors owned the equivalent of at least three (3) times their annual director retainer in Matrikon shares based on share value at time of purchase.

Shareholdings of Independent Directors as at November 5, 2008

	Number	Value ¹
Common Shares	4,247,846	\$8,750,563
Options	200,000	\$17,800
Unvested RSUs	31,500	\$64,890

¹ Based on closing price of Matrikon shares on November 5, 2008 and taking into account only options that are currently exercisable and in the money

Director Stock Options

Matrikon's Stock Option plan was discontinued in fiscal 2006. Under the previous stock option plan, newly appointed or elected directors received a grant of 50,000 options to purchase shares. Directors also received annual grants of 10,000 options.

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

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

RSU Plan

In 2006, Matrikon replaced its Stock Option Plan with a Restricted Share Unit (RSU) plan. Under the RSU plan, Directors receive RSUs at approximately the equivalent value to the options they would have received annually under the Stock Option plan. The RSUs vest over a period of three years. Once vested, the RSUs are converted to Matrikon common shares.

On July 7, 2006, each then-current director received 13,500 RSUs. These RSUs vest equally over three years.

On July 12, 2007, Eric Rosenfeld received 13,500 RSUs when he joined Matrikon's board. These RSUs vest equally over three years.

Independent Director Nominees Equity Ownership Summary

Director	As at 5-Nov-08		As at 1-Nov-07		Net Change		Market Value ¹ (5-Nov-08)
	Common Shares	RSUs/ Options ³	Common Shares	RSUs/ Options ⁴	Common Shares	RSUs/ Options	Total
Hugh Bolton	77,746	44,500	72,878	49,000	+4,868	-4,500	\$172,027
Kent Jespersen	72,676 ²	44,500	76,808	49,000	-4,132	-4,500	\$161,583
Robert Moore	122,899	34,500	118,031	49,000	+4,868	-14,500	\$264,542
Michael Percy	33,068	24,500	28,200	29,000	+4,868	-4,500	\$77,390
Janice Rennie	30,189	74,500	25,321	79,000	+4,868	-4,500	\$81,959
Eric Rosenfeld	3,911,268	9,000	3,152,900	13,500	+758,368	-4,500	\$8,075,752

1 Based on closing price of Matrikon shares on November 5, 2008. Market value is the value of common shares held, the in the money value of options and the value of unvested RSUs.

2 Includes 3,100 common shares held by associates or affiliates

3 Includes 4,500 RSUs, except for Mr. Rosenfeld. Mr. Rosenfeld has 9,000 RSUs.

4 Includes 9,000 RSUs, except for Mr. Rosenfeld. Mr. Rosenfeld had 13,500 RSUs.

Independence and Board Committees

Director independence is determined based on the guidelines of Multilateral Instrument 52-110 Section 1.4 and Section 1.5 for members of the Audit Committee.

Six of Matrikon's seven directors in fiscal 2008 were independent. All committees are made up entirely of independent outside directors.

Director	Audit Committee	Compensation & Governance Committee
Independent Outside Directors		
Hugh Bolton		✓
Kent Jespersen		✓
Robert Moore	✓	
Michael Percy	✓	
Janice Rennie	✓	
Eric Rosenfeld		✓

Management Directors (no committee membership)

Nizar J. Somji Not independent: president and CEO

Summary of Board and Committee Meetings Held

For the fiscal year ended August 31, 2008:

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

1. Includes all-day strategic planning session

2. Meetings held without management present

Summary of Director Attendance at Meetings

For the fiscal year ended August 31, 2008

Director	Board meetings attended	Committee meetings attended ¹	% attendance
Hugh Bolton	6 of 6	3 of 3	100%
Kent Jespersen	5 of 6 ²	3 of 3	89%
Robert Moore	6 of 6	5 of 5	100%
Michael Percy	5 of 6 ²	5 of 5	91%
Janice Rennie	6 of 6	5 of 5	100%
Eric Rosenfeld	6 of 6	3 of 3	100%
Nizar J. Somji	6 of 6	-	100%

1 Committee meetings are open to all board members and are frequently attended by the full board

2 Mr. Jespersen & Mr. Percy were unable to attend one board conference call

Interlocking Directorships

Two of Matrikon's directors 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. Two of Matrikon's directors also share directorship on the board of Teck Cominco Limited: Hugh Bolton and Janice Rennie.

It is the board's view that these relationships do not impair the individual directors' ability to exercise independent judgment.



Janice Rennie (chair), Robert Moore, Mike Percy

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 July 12, 2008, the Audit Committee has been comprised of the following three members: Janice Rennie (chair), Robert Moore and Michael Percy.

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 in 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 recently retired as chair and CEO of Vigilistics, Inc.
Michael Percy	Dr. Percy has a PhD in Economics. Dr. Percy has served on and chaired a number of public company audit committees.

Audit Committee Charter

The Audit Committee charter is summarized below. The full text of the charter is available on our website at www.matrikon.com/investors and is attached to our annual information form dated November 5, 2008 and available on SEDAR at www.sedar.com.

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 2008, the Audit Committee met five times (three in person meetings, two teleconferences). Each meeting included the external auditors, the chief financial officer and general counsel. The Audit Committee met with the auditors without management present and with management without the auditors present at each of the five meetings.

The chief executive officer (CEO) and chief financial officer (CFO) certified certain information in the consolidated financial statements and related disclosure and internal control design 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 2008, in addition to the above, the Audit Committee:

- Continued its oversight of Matrikon's internal controls compliance, including internal controls over financial reporting and disclosure controls and procedures.
- Reviewed and recommended that the board approve the special dividends declared on June 9, 2008 and October 9, 2008.
- Reviewed the Audit Committee Terms of Reference, Matrikon's Code of Business Conduct & Whistleblower policies, foreign currency management policy and executive expenses and approval processes.



Janice G. Rennie, FCA
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:

	2008	2007	2006
Audit fees	\$ 130,000	\$ 146,560	\$ 183,832
Audit-related fees	70,250	52,500	64,489
Tax fees	72,528	-	-
All other fees	-	25,104	16,589
Total	\$ 272,778	\$ 224,164	\$ 264,910

"Audit-related fees" include fees for the review of the quarterly financial statements and management's discussion and analysis. 'Other fees' include acquisition review fees and expenses. 2008 audit fees are estimates.

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.

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 2008 quarterly financial statements and earnings releases with management and the Audit Committee.

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



Kent Jespersen (chair), Hugh Bolton, Eric Rosenfeld

Compensation and Governance Committee Report

The Compensation and Governance Committee is responsible for assisting the board in ensuring that Matrikon's human resources strategies support corporate objectives and sustain shareholder value, and in measuring board performance with respect to governance standards.

The Committee's members are Kent Jespersen (chair), Hugh Bolton and Eric Rosenfeld.

During fiscal 2008, the Compensation and Governance Committee met three times (all in-person meetings).

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

Compensation

- Conducts an annual review of Matrikon officers' salaries, the general salary structure and employee benefits plans, including restricted share units and the 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 risks involved in being an effective director.
- Reviews senior officer performance and succession plans with the board annually.
- Reviews progress made on human resource strategies, including recruitment and employee retention and development.

Corporate Governance

- Ensures the annual adoption of a corporate strategy and a strategic planning process.
- Ensures the adoption of corporate objectives through the strategic planning process.
- Ensures that Matrikon's disclosure policy facilitates effective communication and satisfies continuous disclosure requirements.
- Ensures that each board committee annually reviews its scope and responsibilities.

- Ensures that appropriate orientation and education programs are provided to new directors.
- Assesses the effectiveness of the board, the board chair, and the committees of the board and reports the findings to the board. The assessment process examines the effectiveness of the board as a whole and specifically reviews areas that the board believes could be improved to ensure the continued effectiveness of the board in the execution of its responsibilities. The chair of the board interviews each director on board responsibility, operations and communications and effectiveness, and also provides an opportunity to discuss individual concerns.
- Reviews and makes 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.
- Monitors and reviews 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 chair, 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, and the next three most highly compensated executive officers (Named Executive Officers or NEOs) is summarized in the following table.

Name	Fiscal Year	Annual Compensation			Long-Term Compensation			All Other Compensation (\$)	Total Compensation (\$)
		Salary (\$)	Bonus/Commissions (\$)	Other Annual Compensation (\$)	Awards		Payouts		
					Restricted Share Units (#)	Restricted Share Units (\$) ⁵	LTIP Payouts (\$) ⁷		
Nizar J. Somji President & CEO ¹	2008	300,000	538,000	NIL	NIL	NIL	20,786	NIL	858,786
	2007	147,500	107,322	NIL	NIL	NIL	12,555	NIL	267,377
	2006	49,846	12,736	NIL	13,500 ⁶	47,250	NIL	NIL	62,582
Jonathan Chia Chief Financial Officer ²	2008	95,000	35,000	NIL	12,500 ⁴	55,125	8,836	NIL	192,573
	2007	74,231	NIL	NIL	5,000 ⁴	16,550	3,437	NIL	91,021
	2006	60,705	NIL	NIL	NIL	NIL	NIL	NIL	60,705
Ian Brown Vice President, Europe, Middle East, Africa ³	2008	174,534	187,668	NIL	NIL	NIL	49,980 ⁸	NIL	412,182
	2007	186,706	89,482	NIL	NIL	NIL	25,639 ⁸	4,456 ⁹	306,283
	2006	153,776	200,148	NIL	NIL	NIL	NIL	7,425 ⁹	361,349
Sam Crisafulli Managing Director, Asia-Pacific ¹⁰	2008	100,797	168,757	44,991 ¹¹	NIL	NIL	70,686	2,985 ⁹	388,216
	2007	89,617	24,509	29,307	NIL	NIL	27,500	3,644 ⁹	174,577
	2006	75,645	88,606	25,172	40,000 ⁴	140,000	NIL	7,256 ⁹	178,616
Mike Brown Vice President, North America Solutions	2008	150,000	75,004	NIL	NIL	NIL	70,686	NIL	295,690
	2007	150,000	9,489	NIL	NIL	NIL	27,500	NIL	186,989
	2006	150,000	NIL	NIL	40,000 ⁴	140,000	NIL	NIL	150,000

1 Nizar was president & CEO until July 17, 2005, after which he remained CEO until December 10, 2005 when he became chair of the board. On February 12, 2007, he resigned as chair of the board and became interim CFO. On June 5, 2007, he became president & CEO.

2 Jon was promoted to chief financial officer on July 8, 2008. Prior to that, he was senior manager of Finance.

3 Ian is paid in British pounds. The amounts shown above are converted based on the exchange rate at the time of payment.

4 RSUs vest on September 1 over a period of three years, with 25% of the grant vesting in year 1; 33% vesting in year 2 and 42% vesting in year 3.

5 RSUs valued at the closing market price on the date of grant.

6 RSUs were granted while Nizar was a director, thus they vest equally over three years on July 7.

7 Long-Term Incentive Plan payout is for RSUs which vested on July 7, 2008 for Nizar and on September 1, 2008 for Jon, and Mike.

8 Includes \$70,868 (2006 - \$25,639) for a contribution to a personal pension fund. This contribution is the equivalent of 40,000 RSUs based on the grant price and vesting according to the vesting schedule described in Note 7.

9 Other Compensation is for common shares received under Matrikon's Employee Stock Ownership Program (ESOP) valued using the closing price on the date the shares are issued. This program is available to all employees. Ian received NIL (2007 - 1,341, 2006 - 1,350) and Sam received 603 (2007 - 1,091; 2006 - 1,668).

10 Sam is paid in Australian dollars. His salary is converted based on the exchange rate at the time of payment. Other amounts are translated at the average exchange rate for the year.

11 Other Annual Compensation for Sam includes Superannuation of \$24,260 (2007 - \$11,203; 2006 - \$7,069) and a vehicle lease of \$20,730 (2007 - \$18,104; 2006 - \$18,103).

LTIP - Awards for the Year Ended August 31, 2008

Matrikon introduced a long-term incentive program based on Restricted Share Units for key employees and directors in 2006. Under the plan, key employees receive RSUs which vest over a period of three years. Once vested, the RSUs convert to common shares. The follow table shows RSUs granted to NEOs in fiscal year 2008.

Name	Securities, Units or Other Rights (RSUs)	Performance or other Period Until Maturation or Payout
Jonathan Chia	12,500	Mature as follows: 25% 1-Sep-09; 33% 1-Sep-10; 42% 1-Sep-11

Share Ownership

The following table shows the shareholdings and options (exercisable and total) to acquire common shares by Named Executive Officers at November 5, 2008.

Name	Shareholdings at 5-Nov-08	Exercisable Options	Total Options	Market Value ¹ (5-Nov-08)
Nizar J. Somji	9,900,578	NIL	NIL	\$20,395,190
Jonathan Chia	4,135	NIL	NIL	\$8,518
Ian Brown	15,791	NIL	NIL	\$32,529
Sam Crisafulli	52,733	NIL	NIL	\$108,630
Mike Brown	46,598	25,000	25,000	\$99,992

1 Based on closing price of Matrikon shares on November 5, 2008. Market value includes the value of common shares held and the value of in the money options.

Aggregated Option Exercises during the Year Ended August 31, 2008 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, 2008.

Name	Securities Acquired on Exercise	Aggregate Value Realized	Unexercised Options at Financial Year-End		Value of Unexercised In-the-Money Options at Financial Year-End	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Mike Brown	25,000	\$55,000	25,000	NIL	\$1,500	NIL

Equity Compensation Plan Information

The following table shows the compensation plans under which Matrikon's securities are authorized for issuance from treasury as of August 31, 2008.

Plan Category	(A)		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 and rights	Weighted average exercise price of outstanding options and rights	
Stock Option Plan approved by shareholders January 24, 2002	383,550	\$2.68	NIL ¹
Employee Stock Ownership Plan approved by shareholders January 24, 2002	1,974 ³	-	NIL ²
Restricted Share Unit Plan approved by shareholders December 9, 2005	768,207 ⁴	-	1,652,589
Total	1,153,551		1,611,968

Notes:

- 1 Grants of options under Matrikon's Stock Option Plan have been discontinued.
- 2 Registrations of shares under Matrikon's Employee Stock Ownership Plan have been discontinued as of May 1, 2007.
- 3 ESOP shares became eligible for matching on August 31, 2008. One employee had not as of September 19 provided necessary documentation to receive the match.
- 4 258,299 RSU shares vested on September 1, 2008.

Restricted Share Unit Plan

Overview	Matrikon's Restricted Share Unit (RSU) plan provides for the granting of RSUs to directors, officers and employees of Matrikon and its subsidiaries.			
Approved by shareholders	December 9, 2005			
	Plan Maximum¹	RSUs Granted	RSUs Exchanged for Shares	RSUs Available for Future Issuance
Balance as of August 31, 2008	3,109,271	768,207 ²	302,953	1,652,589 ²
% of Common Shares outstanding as of August 31, 2008	10.13%	2.50%	0.99%	6.24%
<ol style="list-style-type: none"> 1 10% of the shares outstanding at the time of grant on a non-diluted basis, less the aggregate number of shares reserved for issuance under this or other share compensation arrangements. 2 RSU grants are taken into account in the Plan Maximum balance as per Note 1. 				
Maximum issuable to insiders	10% of the shares outstanding at the time of grant on a non-diluted basis, less the aggregate number of shares reserved for issuance to insiders under this or any other share compensation arrangement.			
Maximum issuable to one person	5% of issued and outstanding shares on a non-diluted basis at the date of the grant.			
Vesting of RSUs	Determined by the board; typically vesting on the one-year anniversary of the grant or on a vesting schedule over a three-year period.			
Term of RSUs	<p>Vesting dates for RSU grants may not exceed three years after the end of the calendar year in which they are allocated to a participant.</p> <p>Upon maturation of the RSU, each participant may elect to receive common shares of Matrikon or convert the RSUs into DSUs. DSUs are not convertible to common shares until such time as the participant ceases to be a director, officer or employee of Matrikon. The DSU option has been removed from the plan for future grants and, where grantee provided consent, prior grants as well.</p>			
Assignability conditions	Non-transferable and non-assignable other than in the case of death.			
Cessation of entitlement	<p>All rights to unvested RSUs granted to a participant become null and void upon the effective date that the participant ceases to be an employee, officer or director of Matrikon.</p> <p>In the event of the death of a participant, RSU shares will be issued to the estate of the participant</p>			

	as soon as practicable after the death of the participant.
Amendment provision	The board may amend, suspend or discontinue the plan at any time provided that the amendment is in accordance with the requirements of the Toronto Stock Exchange or any securities commission or regulatory body to which the plan is or may be subject to.
Financial assistance to employees	NIL
Entitlements subject to ratification	NIL

Stock Option Plan Details

Overview & Eligibility	Matrikon's Stock Option Plan provides for the granting of options to purchase common shares to directors, officers, employees and consultants of Matrikon and its subsidiaries.			
Note	Grants of options under the Stock Option Plan were discontinued in 2006 and have been replaced by the Restricted Share Unit (RSU) Plan.			
Approved by shareholders	January 24, 2002			
	Plan Maximum	Options Outstanding	Options Exercised	Options Available for Future Grants
Balance as of August 31, 2008	NIL	383,550	2,123,339	NIL ¹
% of Common Shares outstanding as of August 31, 2008	NIL%	1.25%	6.92%	NIL%
1. Grants of options under the Stock Option Plan were discontinued in 2006 and available option grants were rolled into the RSU plan.				
Maximum issuable to insiders	10% of the shares outstanding at the time of issuance on a non-diluted basis, excluding shares issued to insiders under any other Share Compensation Arrangement.			
Maximum issuable to one person	5% of issued and outstanding shares on a non-diluted basis at the date of the grant.			
Vesting of options	Determined by the board; typically vesting on the one-year anniversary of the grant or on a vesting schedule over a three- or four-year period.			
Term of stock options	Each option granted has a maximum term of 10 years and is exercisable on terms determined by the board of directors, including vesting.			
Exercise price determination	The exercise price is set at the closing price of Matrikon's common shares on the Toronto Stock Exchange on the date of board approval of the grant. If the company is in a blackout period at the date of the board meeting approving the grant, the exercise price is set at the closing price on the date the blackout is lifted.			
Assignability conditions	Non-transferable and non-assignable other than in the case of death.			
Cessation of entitlement	<p>If an optionee ceases to be a director, officer or employee of Matrikon for any reason other than death, each option is cancelled as of the date they cease to be a director, officer or employee, regardless of whether the person is terminated with or without cause. If an employee resigns, the options are cancelled as of the resignation date.</p> <p>In the case of death, the legal representative of the estate of the optionee may exercise any options that were otherwise exercisable at the time of death within 90 days following the death.</p>			
Amendment provision	<p>The board may amend, suspend or discontinue the plan at any time provided that the amendment is in accordance with the requirements of the Toronto Stock Exchange or any securities commission or regulatory body to which the plan is or may be subject to, except that they may not:</p> <ul style="list-style-type: none"> ▪ Amend the plan to increase the maximum number of shares available for granting under the plan ▪ Change the manner of determining the exercise price 			
Financial assistance to employees	NIL			
Entitlements subject to ratification	NIL			

Employee Stock Ownership Plan

Overview	Matrikon's Employee Stock Ownership Plan (ESOP) provides for the matching of Matrikon common shares purchased and held for a period of 16 months by directors, officers and employees of Matrikon and its subsidiaries.			
Note	The Matrikon ESOP program was discontinued in fiscal 2007, with the final registration date of April 30, 2007.			
Approved by shareholders	January 24, 2002			
	Plan Maximum	Shares Matched to Date	Shares Registered for Matching	Shares Available for Future Registrations
Balance as of August 31, 2008	NIL	404,882	1,974	NIL ¹
% of Common Shares outstanding as of August 31, 2008	0%	1.34%	0.01%	NIL% ¹
1. The Matrikon ESOP program was discontinued in fiscal 2007.				
Maximum issuable to one person	The value of the shares registered for matching in any plan year is a maximum of 10% of the annual compensation of the employee in the preceding calendar year or \$12,000, whichever is less. The value of the shares available for matching is set at the closing price of Matrikon's common shares on the Toronto Stock Exchange on the date of the enrolment period. There are four enrolment periods annually, which are presently set at the last business day of the calendar quarter.			
Matching	Shares are matched on a 1 for 2 basis if the registered employee still holds the Matrikon common shares 16 months after the enrolment date.			
Exercise price determination	Matched shares are issued from treasury with no consideration paid by the plan registrant.			
Assignability conditions	Non-transferable and non-assignable.			
Cessation of entitlement	ESOP participant's right to the ESOP matching ceases on the date the participant is no longer a director, officer or employee of Matrikon for any reason, regardless of whether the person is terminated with or without cause.			
Amendment provision	Matrikon, through the ESOP administrative committee, may make amendments or terminate the ESOP program at any time, provided the amendment is in accordance with the requirements of the Toronto Stock Exchange or any securities commission or regulatory body to which the plan is or may be subject to.			
Financial assistance to employees	NIL			
Entitlements subject to ratification	NIL			

Report on Executive Compensation

The Compensation and Governance Committee, composed of three independent directors, reviews and approves Matrikon's compensation program for 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 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.

Compensation of executive officers for 2008 was comprised of three elements, with some variation depending on area of responsibility and individual objectives:

- Base salary (35–50% of total compensation)
- Long-term incentive in the form of RSUs (15-25% of total compensation)
- Short-term incentives in the form of cash bonuses (35-50% of total compensation, except for CEO):

- CEO: Company wide performance bonus for meeting specific overall growth targets (35-65% of total compensation)
- Other NEOs: Individual operating group performance bonus for meeting area-specific objectives

Performance bonuses are calculated based on parameters such as the achievement of target revenue and earnings growth and individual behavioural objectives which could include such metrics as employee retention or office growth. The following table shows the actual compensation breakdown.

Personal objective bonuses range from a percentage of overall revenue and/or operating income to divisional results, depending on the employee's ability to influence results.

In 2008, Matrikon's results were well above expectations, resulting in bonuses near the payout maximum.

Target	Base 35-50%	Long-Term RSUs 15-25%	Short-Term Bonus 35-65%	Total Pay	Total Bonus Maximum Bonus 2x Base Salary
Nizar J. Somji	\$ 300,000 35%	\$ 20,786 1%	\$ 538,000 ¹ 63%	\$ 858,786	\$ 558,786 1.86 ²
Jonathan Chia	95,000 68%	8,836 6%	35,000 ⁴ 25%	138,836	43,836 0.46 ²
Ian Brown	174,534 40%	49,980 16%	187,668 ⁵ 43%	412,182	237,648 1.47 ²
Sam Crisafulli	145,789 ³ 35%	70,686 17%	168,757 ⁵ 48%	385,232	239,443 1.88 ²
Mike Brown	150,000 51%	70,686 24%	75,004 ⁶ 25%	295,690	145,690 0.97 ²

- 1 Nizar's performance compensation was based on a percentage of total revenue and a percentage of net income.
- 2 This number represents the proportion of bonus to base salary (calculated as total bonus payout divided by base salary).
- 3 Superannuation and car expenses are included in base salary for Sam.
- 4 Jon's performance compensation was based on regional performance for a region over which he had influence prior to being appointed CFO.
- 5 Ian's and Sam's performance compensation were based on a percentage of net income for EMEA and APAC respectively.
- 6 Mike's performance compensation was based on the North America Solutions business performance and a percentage of net income.

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 14 (Compensation and Governance Committee Report) for additional information.

Base Salaries

Matrikon's approach to base salaries is to offer amounts which are slightly below par with industry peers, targeting the 25th percentile. Matrikon places greater emphasis on pay for performance through variable compensation plans. No formal benchmarks or reviews have been performed for fiscal 2008 executive compensation. 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 corporate or regional revenue and net income goals in relation to the company's annual plan as approved by the board. The bonus plan is restructured annually to motivate specific behaviours. In some instances, the Committee also awards discretionary bonuses to certain of these executives at the conclusion of the year.

Long-Term Incentive Compensation – Restricted Share Units (RSUs)

In fiscal year 2006, we implemented a long-term executive compensation strategy that replaces option grants to key employees with grants of restricted share units (RSUs).

Matrikon's RSU plan is intended to encourage key employees and directors to acquire a proprietary interest in Matrikon and thus provide additional incentive to further Matrikon's growth and development while aligning the interests of these employees with those of our shareholders.

The RSU Plan was approved by shareholders on December 9, 2005. Matrikon's employees, officers and directors are eligible to participate in the RSU Plan.

Subject to the vesting requirements (continued employment with Matrikon), each RSU is exchangeable for one common share. The number of RSUs granted is based on each Executive's position, the need for retention incentives, and as part of a multi-year approach to the Executive's compensation.

Long-Term Incentive Compensation - Employee Stock Ownership Program

Eligible employees and directors are entitled to participate in Matrikon's employee stock ownership program (ESOP), 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 404,882 common shares under ESOP.

The final ESOP registration was April 30, 2007 with the final match occurring August 31, 2008. We replaced this program with an Employee Share Purchase Plan (ESPP) for fiscal year 2009. No treasury shares are issued for ESPP.

Compensation of President & Chief Executive Officer

The Compensation and Governance Committee monitors and assesses Nizar's performance and recommends compensation to the board. For the fiscal year ended August 31, 2008, Nizar's compensation consisted of base salary and short-term incentives (cash bonus for meeting performance targets).

Given Nizar's significant shareholdings in the company, long-term incentive in the form of RSUs is not considered in his compensation arrangement. Nizar's RSUs were granted while he was a director of the company.

Nizar's performance bonus is calculated as a percentage of revenue and operating income, with the percentage accelerating after base targets are met.

Financial Highlights	2008 (\$000s CDN)	2007 (\$000s CDN)	Growth over prior year
Revenue	80,031	73,498	+9%
Net income	9,098	(220)	nmf
Earnings per Share	0.30	(0.01)	nmf

Employment Contracts

Matrikon does not have any written contracts, plans, arrangements or agreements to compensate Named Executive Officers in excess of \$100,000 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

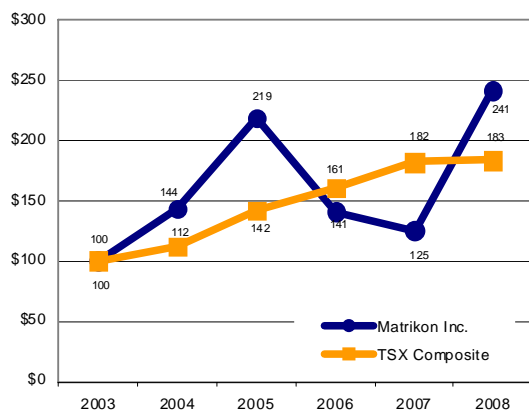
Management is not aware of any indebtedness outstanding by its directors, senior officers or executive officers to the company, or any guarantees, support agreements, letters of credit or other similar arrangements provided by Matrikon to any of its directors, senior officers or executive officers, at any time since the commencement of the last completed fiscal year.

Submitted on behalf of the board of directors,

C. Kent Jespersen (chair)
Hugh Bolton
Eric Rosenfeld

Performance Graph

The following graph illustrates the cumulative shareholder return for \$100 invested in Matrikon common shares on August 31, 2003 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. Matrikon's trading symbol on the Toronto Stock Exchange is MTK.



NOTE: Dividends paid on MTK common shares are assumed to be reinvested.

	TSX Composite	TSX Composite Investment	Matrikon Common Shares
31-Aug-08	13,771.25	183.36	241.36
31-Aug-07	13,660.48	181.89	125.00
31-Aug-06	12,073.75	160.76	140.91
31-Aug-05	10,668.94	142.06	218.64
31-Aug-04	8,377.03	111.54	143.64
31-Aug-03	7,510.32	100.00	100.00

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 also 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, 2008 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, 2008 and documents incorporated by reference, additional interim financial statements for periods subsequent to August 31, 2008 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: 780-945-4010 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 content 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.

Corporate Governance Guideline	Comments																																
1. Board of Directors																																	
(a) Disclose the identity of directors who are independent	<p>The independent directors are:</p> <p>Hugh J. Bolton C. Kent Jespersen Robert Moore Michael B. Percy Janice G. Rennie Eric Rosenfeld</p> <p>The board evaluates individual director independence based on Multilateral Instrument 52-110 Section 1.4</p>																																
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination	Nizar J. Somji, founder, president & CEO of Matrikon is the only director who is not considered independent under Multilateral Instrument 52-110 Section 1.4																																
(c) Disclose whether or not a majority of directors are independent	Six of Matrikon's seven current directors (86%) are independent.																																
(d) If a director is presently a director of any other issuer that is a reporting issuer in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer	All directorships with other public entities for each director are disclosed in the 2008 information circular (pages 7-9)																																
(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.	<p>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.</p> <p>FY2008 In Camera Sessions Board:6 Audit Committee:5 Compensation & Governance Committee:3</p>																																
(f) Disclose whether or not the chair of the board is an independent director.	The board chair, Hugh J. Bolton, is an independent director.																																
(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>3/3</td> <td>6/6</td> <td>100%</td> </tr> <tr> <td>Kent Jespersen</td> <td>3/3</td> <td>5/6</td> <td>89%</td> </tr> <tr> <td>Robert Moore</td> <td>5/5</td> <td>6/6</td> <td>100%</td> </tr> <tr> <td>Michael Percy</td> <td>5/5</td> <td>5/6</td> <td>91%</td> </tr> <tr> <td>Janice Rennie</td> <td>5/5</td> <td>6/6</td> <td>100%</td> </tr> <tr> <td>Eric Rosenfeld</td> <td>3/3</td> <td>6/6</td> <td>100%</td> </tr> <tr> <td>Nizar J. Somji</td> <td>n/a</td> <td>6/6</td> <td>100%</td> </tr> </tbody> </table> <p>The board has established a minimum meeting attendance policy of 80%. Attendance of less than this amount would without extenuating circumstances would be a cause for concern.</p>	Director	Committee Meetings	Board Meetings	%	Hugh Bolton	3/3	6/6	100%	Kent Jespersen	3/3	5/6	89%	Robert Moore	5/5	6/6	100%	Michael Percy	5/5	5/6	91%	Janice Rennie	5/5	6/6	100%	Eric Rosenfeld	3/3	6/6	100%	Nizar J. Somji	n/a	6/6	100%
Director	Committee Meetings	Board Meetings	%																														
Hugh Bolton	3/3	6/6	100%																														
Kent Jespersen	3/3	5/6	89%																														
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Eric Rosenfeld	3/3	6/6	100%																														
Nizar J. Somji	n/a	6/6	100%																														
2. Board Mandate																																	
Disclose the text of the board's written mandate.	Matrikon's charter of expectations for the board and individual directors is available on our website at www.matrikon.com/investors and was included as Appendix 2 to our information circular for our December 9, 2005 annual and special meeting (the "2005 Circular"), filed on SEDAR at www.sedar.com and such appendix is incorporated by reference herewith.																																

Corporate Governance Guideline	Comments
	The board charter discusses the responsibilities of the board and individual directors and the board's involvement in Matrikon's strategic planning process.
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 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 available on our website at www.matrikon.com/investors
4. Orientation & Continuing Education	
(a) Briefly describe the way new directors are oriented about	
(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 briefing sessions from appropriate senior personnel to help 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 brokers).</p> <p>Directors are invited to attend various Matrikon events, including the employee appreciation dinner. Through these events, they have an opportunity to meet with employees and learn more about our business and our technology.</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.	<p>Subject to board approval, directors may enroll in professional development courses at Matrikon's expense.</p> <p>No directors were enrolled in professional development courses at Matrikon's expense in 2008.</p>
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 code:	Matrikon has a Business Code of Conduct that is applicable to all directors, officers and employees.
(i) disclose how a person or company may obtain a copy of the code	<p>Our Business Code of Conduct is available on our web site: www.matrikon.com and on SEDAR at www.sedar.com.</p> <p>It will be mailed to anyone requesting it by contacting Matrikon's investor relations department at 1-877-MATRIKON extension 4010</p>
(ii) describe how the board monitors compliance with its code	<p>All new employees are required to read and sign off of the Code as part of the orientation process.</p> <p>All employees annually review and sign off on a number of policies, including the Business Code of Conduct.</p>
(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	<p>Matrikon's business code of conduct outlines our conflict of interest guidelines.</p> <p>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.</p>

Corporate Governance Guideline	Comments
(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. 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 chair, the Chief Executive Officer, and all directors are sought and considered. See the Compensation & Governance Committee Terms of Reference (Appendix 2) <i>Section E: Responsibilities and Authority – Nominations</i> for additional information.
(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.	The Compensation and Governance Committee is responsible for nominations. Please refer to the Compensation & Governance Committee Terms of Reference (Appendix 2) <i>Section E: Responsibilities and Authority – Nominations</i> for information regarding the responsibilities, powers and operations of the committee.
7. Compensation	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.	The Compensation and Governance Committee is responsible for reviewing and approving the compensation of all senior officers of Matrikon, including the general salary structure and short- and long-term incentive programs and bonuses. The Committee regularly discusses personnel and human resources matters, including recruitment and development, management succession and benefit plans. The Committee reviews the adequacy of director compensation and ensures that it realistically reflects the responsibilities and risk involved in being an effective director. The Committee recommends the compensation for the President & CEO for board approval. See the Report on Executive Compensation (page 19) and Director Compensation (page 10) contained in the 2008 information circular for additional information.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors.	The compensation and governance committee is composed entirely of independent directors.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	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. See the Compensation and Governance Committee report (page 14) of the 2008 Information Circular and the Compensation & Governance Committee Terms of Reference (Appendix 2) for additional information.
(d) If a compensation consultant or advisor has 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 2008.
8. Other Board Committees	

Corporate Governance Guideline	Comments
<p>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>None</p>
<p>9. Assessments</p>	
<p>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.</p>	<p>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. The board chair interviews each director, addressing board responsibility, organization, operations, communications and effectiveness and then reports the findings to the board.</p>

Appendix 2 – Compensation & Governance Committee Charter

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.