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**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON AUGUST 7, 2008
AND
MANAGEMENT INFORMATION CIRCULAR**

June 20, 2008

RUGGEDCOM INC

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To the holders of Common Shares:

NOTICE IS HEREBY GIVEN that the annual meeting (the "Meeting") of shareholders of RuggedCom Inc. (the "Corporation") will be held at St. Andrew's Club & Conference Centre, 150 King Street West, 27th Floor, Toronto, Ontario, Canada on August 7, 2008, at 4:30 p.m., Toronto time, for the following purposes:

1. to elect directors;
2. to appoint auditors;
3. to receive the consolidated financial statements for the year ended March 31, 2008, and the auditors' report thereon; and
4. to transact such other business as may properly come before the Meeting.

The specific details of the foregoing matters to be put before the Meeting of shareholders are set forth in the Management Proxy Circular accompanying this Notice of Meeting.

In the case of *registered shareholders*, the completed, dated and signed form or proxy should be sent in the enclosed envelope or otherwise to the Secretary of the Corporation c/o Computershare Investor Services Inc., Attention: Proxy Services Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, fax number 1-866-249-7775. In the case of *non-registered shareholders* who receive these materials through their broker or other intermediary, the shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other intermediary. To be effective, a proxy must be received by Computershare Investor Services Inc. or the Secretary of the Corporation not later than August 5, 2008 at 4:30 p.m. (Toronto time), or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

BY ORDER OF THE BOARD OF DIRECTORS

Woodbridge, Ontario
June 20, 2008

Marzio Pozzuoli
President and Chief Executive Officer



MANAGEMENT PROXY CIRCULAR

This Management Proxy Circular (the "Circular") is sent in connection with the solicitation by the management of RuggedCom Inc. (the "Corporation") of proxies for use at the annual and special meeting of shareholders of the Corporation to be held on August 7, 2008, (the "Meeting"), or any adjournment thereof. The method of solicitation will be primarily by mail. However, proxies may also be solicited by regular employees of the Corporation by advertisement, in writing or by telephone at nominal cost. The Corporation may also engage a third party to provide proxy solicitation services on behalf of management in connection with solicitation of proxies for the Meeting. The cost of solicitation will be borne by the Corporation.

COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

On June 20, 2008, 11,719,811 Common Shares of the Corporation were outstanding.

Each holder of Common Shares is entitled to one vote at the Meeting, or any adjournment thereof, for each share registered in the holder's name as at the close of business on June 20, 2008 (the "Record Date").

To the knowledge of the directors and officers of the Corporation, as of June 20, 2008, Mr. Marzio Pozzuoli owns or exercises control or direction over 1,345,967 Common Shares of the Corporation, or approximately 11.5% of the total issued and outstanding Common Shares of Corporation, and OPG Ventures Inc. owns or exercises control or direction over 1,226,550 Common Shares of the Corporation, or approximately 10.5% of the total issued and outstanding Common Shares of Corporation. To the knowledge of the directors and officers of the Corporation, no other person or company directly or indirectly owned, beneficially or of record, or exercised control or direction over, more than 10 per cent of the shares of any class of the Corporation.

PROXIES

APPOINTMENT OF PROXYHOLDER

The person(s) designated by management of the Corporation in the enclosed form of proxy are directors or officers of the Corporation. **Each shareholder has the right to appoint as proxyholder a person or company (who need not be a shareholder of the Corporation) other than the person(s) or company(ies) designated by management of the Corporation in the enclosed form of proxy to attend and act on the shareholder's behalf at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person or company in the blank space provided in the enclosed form of proxy or by completing another form or proxy.

In the case of *registered shareholders*, the completed, dated and signed form or proxy should be sent in the enclosed envelope or otherwise to the Secretary of the Corporation c/o Computershare Investors Services Inc., Attention: Proxy Services Department, 100 University Avenue, 9th Floor, Toronto, Ontario

M5J 2Y1, fax number 1-866-249-7775. In the case of *non-registered shareholders* who receive these materials through their broker or other intermediary, the shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other intermediary. To be effective, a proxy must be received by Computershare Investors Services Inc. not later than August 5, 2008 at 4:30 p.m. (Toronto time), or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment..

REVOCATION OF PROXY

A shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the shareholder or by the shareholder's attorney, who is authorized in writing, at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof. A shareholder may also revoke a proxy in any other manner permitted by law.

VOTING OF PROXIES

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions given on the ballot, and of the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendment or other matter to come before the Meeting. However, if any amendments to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

ELECTION OF DIRECTORS

The Board of Directors of the Corporation consists of not less than 3 and not more than 10 members as determined from time to time by the Board of Directors, such number presently being fixed at 7. The 7 persons named hereunder will be proposed for election as directors of the Corporation. **Except where authority to vote in respect of the election of directors is withheld, the nominees named in the accompanying form of proxy will vote the shares represented thereby for the election of the persons named hereunder.** Management of the Corporation does not contemplate that any of the persons named hereunder will be unable or unwilling to serve as a Director. However, if such event should occur prior to the election, the nominees named in the accompanying form of proxy reserve the right to vote for the election, in his or her stead, of such other person as they, in their discretion, may determine. Shareholders have the ability to vote for or withhold from voting for each individual Director proposed for election to the Board of Directors of the Corporation.

The Board of Directors appoints an Audit Committee and a Compensation, Governance and Nominating Committee as more fully described in the section entitled "Statement of Corporate Governance Practices" of this Management Proxy Circular.

The term of office of each Director currently in office expires at the close of the Meeting. Each Director elected at the Meeting shall hold office until the close of the next annual meeting of shareholders, unless he or she resigns or his or her office becomes vacant for any reason.

Name and Province and Country of Residence	Principal Occupation during the last 5 years	Served As Director From	Number of Each Class of Voting Securities of the Corporation and its Subsidiaries Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised, and Number of Deferred Share Units Held, as of June 20, 2008 ⁽⁴⁾
Allan Brett ⁽¹⁾ Ontario, Canada	Chief Financial Officer, Aastra Technologies Limited	June 21, 2007	2,700 Common Shares
Guy Bridgeman ⁽²⁾ Alberta, Canada	Senior Vice-President, Distribution & Transmission and Energy Services, EPCOR Utilities Inc.	July 25, 2003	2,700 Common Shares
Peter Crombie ⁽¹⁾⁽³⁾ Ontario, Canada	President and CEO of OPG Ventures Inc. (2001-2005); Partner, Emerald Technology Ventures AG (2005 – present)	March 22, 2006	9,600 Common Shares
J, Ian Giffen ⁽¹⁾ Ontario, Canada	Corporate Director	June 21, 2007	5,700 Common Shares
Marzio Pozzuoli Ontario Canada	President & CEO, RuggedCom Inc.	February 22, 2001	1,345,967 Common Shares
C. Ian Ross ⁽²⁾ Ontario, Canada	Corporate Director	June 21, 2007	1,000 Common Shares
Harry Zarek ⁽²⁾ Ontario Canada	President & Chief Executive Officer, Compugen Systems Ltd.	July 25, 2003	523,071 Common Shares

(1) Member of the Audit Committee.

(2) Member of the Compensation, Governance and Nominating Committee

(3) Mr. Crombie was a past director of IDS Intelligent Detection Systems Inc. ("IDS") during the period from July 2000 to April 2001. In September 2000 certain management and insiders of IDS were subject to a cease trade order of IDS securities for a period of 35 consecutive days. In addition, Mr. Crombie resigned in writing as a director of IDS on April 12, 2001, the same date that a receiver was appointed over IDS.

(4) The information as to Common Shares beneficially owned or over which the Nominees exercise control or direction not being within the knowledge of the Corporation, has been furnished by the respective directors individually.

APPOINTMENT OF AUDITORS

It is proposed to re-appoint PricewaterhouseCoopers LLP as auditors of the Corporation at the Meeting, or any adjournment thereof, to hold office until the close of the next Annual Meeting of Shareholders. **Except where authority to vote in respect of the appointment of auditors is withheld, the nominees named in the accompanying form of proxy will vote the shares represented thereby for the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation.** The resolution to re-appoint PricewaterhouseCoopers LLP will be passed, if approved, by a majority of the votes cast at the Meeting.

COMPENSATION OF DIRECTORS

DIRECTOR COMPENSATION

The Compensation Governance and Nominating Committee monitors developments in director compensation practices. On the advice of the Compensation, Governance and Nominating Committee, the compensation for our non-management directors is \$12,000 per year. For each Board of Director meeting and committee meeting each non-management director also receives either \$500 or \$1,000 depending on the amount of preparation work required for the meeting. In addition, the Chairman of the Board of Directors receives \$25,000 annually, the Chairman of the Audit Committee receives \$10,000 annually and the Chairman of any other committee receives \$5,000 annually. Directors are also reimbursed for out-of-pocket expenses for attending meetings. Directors are and will continue to be eligible to participate in the Corporation's Amended and Restated 2004 Option Plan (the "**Option Plan**").

The following chart shows the compensation paid to each non-management Director for services as a Director of the Corporation during the fiscal year ended March 31, 2008.

Compensation of Directors ⁽¹⁾								
Director	Board Retainer (\$)	Board Meeting Fees (\$)	Committee Chairperson Retainer (\$)	Committee Membership Retainer (\$)	Committee Meeting Fees (\$)	Total Compensation (\$)	Total Fees Allocated to Shares/DSUs (%)	
							Retainer	Attendance Fees
Allan Brett	12,000	6,000	-	-	3,000	21,000	-	-
Guy Bridgeman	12,000	5,500	-	-	2,000	19,500	-	-
Peter Crombie	12,000	6,000	25,000	-	3,000	46,000	-	-
J. Ian Giffen	12,000	6,000	10,000	-	3,000	31,000	-	-
C. Ian Ross	12,000	5,500	5,000	-	2,000	24,500	-	-
Harry Zarek	12,000	5,500	-	-	2,000	19,500	-	-

(1) Table does not include any amounts paid as reimbursement for expenses.

EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The following table summarizes the compensation paid during the last three years by the Corporation to the President and Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers of the Corporation (the "**Named Executive Officers**") who served as executive officers in 2008. All amounts are in Canadian dollars unless otherwise indicated.

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			All Other Compensation ⁽⁴⁾ (S)
		Salary (\$)	Bonus ⁽¹⁾ (S)	Other Annual Compensation (S)	Awards		Payouts	
					Securities under Options/SARs Granted ⁽²⁾ (#)	Shares or Units Subject to Resale Restrictions (S)	LTIP Payouts (S)	
Marzio Pozzuoli President and Chief Executive Officer	2008	237,981	67,500	-	-	-	-	-
	2007	209,792	47,500	-	-	-	-	-
	2006	172,138	41,313	-	-	-	-	-
Roy Dalton Chief Financial Officer	2008	168,616	40,000	-	12,750	-	-	-
	2007	125,145	30,035	-	6,250	-	-	-
	2006	105,956	25,029	-	12,500	-	-	-
Clive Dias Vice-President, Operations	2008	166,770	40,000	-	8,500	-	-	-
	2007	124,316	30,777	-	6,250	-	-	-
	2006	96,675	23,870	-	6,250	-	-	-
Joe Gould Vice-President, Sales – Americas	2008	111,710	107,867	-	12,750	-	-	-
	2007	124,534	166,190	-	6,250	-	-	-
	2006	132,694	103,074	-	12,500	-	-	-
Angelo Rizzo ⁽³⁾ Director of Sales - International	2008	109,039	181,941	-	-	-	-	-
	2007	109,375	266,304	-	6,250	-	-	-
	2006	108,938	143,969	-	12,500	-	-	-

(1) Bonus payouts for Mr. Pozzuoli, Mr. Dalton and Mr. Dias are with respect to performance during the year shown. Payouts are typically made subsequent to year end, following certification of the achievement of applicable performance goals. Bonus payouts for Mr. Gould are with respect to sales commissions. Bonus payouts to Mr. Rizzo are with respect to a combination of sales commissions and performance related goals.

(2) "Securities under Options/SARs Granted" refers to stock options granted to the Named Executive Officers.

(3) Mr. Angelo Rizzo resigned effective March 31, 2008.

OPTIONS AND SARs

Option/SAR Grants During The Most Recently Completed Financial Year

The table below shows information regarding grants of options to acquire Common Shares made to the Named Executive Officers under the Stock Option Plan during the financial year ended March 31, 2008.

Name	Securities Under Options/SARs Granted ⁽¹⁾ (#)	Per cent of Total Options/SARs Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security) ⁽²⁾	Expiration Date
Marzio Pozzuoli	-	-	-	-	-
Roy Dalton	12,750	6.2%	11.50	11.50	March 25, 2015
Clive Dias	8,500	4.1%	11.50	11.50	March 25, 2015
Joe Gould	12,750	6.2%	11.50	11.50	March 25, 2015
Angelo Rizzo ⁽³⁾	-	-	-	-	-

- (1) Options granted by the Corporation for the purchase of Common Shares of the Corporation. These options were granted on March 25, 2008 at a price of \$11.50 per Common Share, subject to the provisions of the Corporation's Stock Option Plan. These options vest as to 25% on the first anniversary of the date of the grant and, as to the balance, 1/30 per month over the 30 months following the first anniversary of the date of the grant.
- (2) In accordance with the Stock Option Plan, the exercise price of options is to be the closing price of the Common Shares on the Toronto Stock Exchange on the grant date.
- (3) Mr. Angelo Rizzo resigned effective March 31, 2008.

Aggregated Option/SAR Exercises During The Most Recently Completed Financial Year And Financial Year-End Option/SAR Values

The following table summarizes for each of the Named Executive Officers the number of Common Shares of the Corporation acquired pursuant to the exercise of options under the Corporation's Stock Option Plan during the fiscal year ended March 31, 2008, the aggregate value realized upon exercise and the total number of Common Shares of the Corporation covered by unexercised options held at March 31, 2008.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SARs at FY-End (#) Exercisable/Unexercisable	Value of Unexercised in-the Money Options/SARs at FY-End (\$) Exercisable/Unexercisable ⁽¹⁾
Marzio Pozzuoli	-	-	35,625 / 1,875	374,775 / 19,725
Roy Dalton	9,625	110,533	102,250 / 25,875	1,059,233 / 95,138
Clive Dias	-	-	22,813 / 16,937	223,550 / 43,700
Joe Gould	5,750	67,215	30,188 / 26,812	301,135 / 105,000
Angelo Rizzo ⁽³⁾	-	-	14,688 / 10,312	138,075 / 59,175

- (1) Based on the closing price of the Common Shares on the Toronto Stock Exchange on March 31, 2008, of \$12.00.
- (2) This Named Executive Officer's options vest as to 25% on the first anniversary of the date of the grant and, as to the balance, 1/30 per month over the 30 months following the first anniversary of the date of the grant.
- (3) Mr. Angelo Rizzo resigned effective March 31, 2008.

OPTION AND SAR REPRICINGS

There was no downward repricing of options or freestanding SARs held by any Named Executive Officer during the financial year ended March 31, 2008.

PENSION AND OTHER RETIREMENT BENEFITS

The Corporation does not provide pension and other retirement benefits to the Named Executive Officers.

EMPLOYMENT CONTRACTS

Mr. Marzio Pozzuoli, the President and Chief Executive Officer, and Mr. Roy Dalton, the Chief Financial Officer, each entered into employment agreements with RuggedCom. Each executive is entitled to an annual salary, to be reviewed annually, together with a performance bonus calculated and paid in accordance with our bonus plan and to participate in the Stock Option Plan, as determined by the Compensation, Governance and Nominating Committee (the "**C,G&N Committee**") and the Board of Directors. We are entitled to terminate the executives' employment at any time without cause by providing him twenty-four months' compensation at his then current salary and continuation of group benefits (subject to the terms of the applicable benefits plans) for a period of twenty-four months. We are entitled to terminate these executives' employment for cause without notice or compensation in lieu thereof. Each of these executives is entitled to terminate his employment with us upon two weeks' written notice. Each executive's employment agreement contains a confidentially covenant which is not time limited, a non-competition covenant which survives for a period of two years following termination of his employment, and a non-solicitation covenant which survives for a period of two years following termination of his employment.

Mr. Clive Dias, Vice-President, Operations and Mr. Joe Gould, Vice-President Sales – Americas each entered into employment agreements with RuggedCom. Each executive is entitled to an annual salary, to be reviewed annually, together with a performance bonus calculated and paid in accordance with our bonus plan and to participate in the Stock Option Plan, as determined by the C,G&N Committee and the Board of Directors. RuggedCom is entitled to terminate Mr. Dias and Mr. Gould's employment at any time without cause by providing twelve months' compensation at their then current salary and continuation of group benefits (subject to the terms of the applicable benefits plans) for a period of twelve months. We are entitled to terminate these executives' employment for cause without notice or compensation in lieu thereof. Each of these executives is entitled to terminate his employment with us upon two weeks' written notice. Each executive's employment agreement contains a confidentially covenant which is not time limited, a non-competition covenant which survives for a period of one year following termination of his employment, and a non-solicitation covenant which survives for a period of one year following termination of his employment.

With the exception of Mr. Pozzuoli, we have not entered into any service or employment agreement with any director.

STOCK OPTION PLAN

The Board of Directors established a stock option plan in August 2004 to attract, retain and motivate our employees, consultants, directors and officers and to advance the interests of the Corporation by providing these persons with the opportunity, through stock options, to acquire an ownership interest in the Corporation. In connection with our initial public offering which was completed on June 20, 2007, the Board of Directors adopted the amended and restated the Corporation's stock option plan (the "**Stock Option Plan**").

Under the Stock Option Plan, the Board of Directors (or any committee of the Board of Directors appointed for such purpose) has the authority to administer the Stock Option Plan including the grant of options to acquire common shares to our directors, officers, employees and consultants of RuggedCom or any subsidiary of RuggedCom. The Board of Directors has appointed the Compensation, Governance and Nominating Committee to administer the Stock Option Plan. The maximum number of common shares that can be issued upon the exercise of options granted under the Stock Option Plan is 1.2 million. Each grant of options must be confirmed and is governed by an option agreement to be entered into between us and the grantee.

Options granted pursuant to the Stock Option Plan will be priced at the closing market price of the common shares on the TSX on the date of the grant. The maximum period during which options may be exercised is seven years from the date on which they are granted. Options vest in accordance with a schedule determined by the C,G&N Committee. The expiry or termination date of options is as determined by the C,G&N Committee. Options are not transferable or assignable except by the law of descent or by will and options are only exercisable by an optionee during his lifetime. Under the Stock Option Plan, if an optionee's employment, appointment or engagement with us is terminated for cause, options not then exercised terminate immediately. If an optionee dies or ceases to become an eligible person under the Stock Option Plan due to disability, vested options may be exercised for that number of common shares which the optionee was entitled to acquire at the time of death or permanent disability, as the case may be, within 180 days of such date. Upon an optionee's employment, appointment or engagement with us terminating or ending other than by reason of death, disability or termination for cause, options may be exercised for that number of common shares which the optionee was entitled to acquire at the time of such termination for a period of 90 days after such date. Options intended to qualify as incentive stock options granted to United States participants will comply with applicable laws of the United States.

As of June 20, 2008 we have granted 908,800 options under the Stock Option Plan of which 119,159 have been exercised or expired and 789,641 remain outstanding and 351,332 are reserved for issuance. Upon payment of the exercise price, each vested option is exercisable for one common share of the Corporation in accordance with the Stock Option Plan and/or the terms of the grant.

AGGREGATE INDEBTEDNESS (INCLUDING FINANCIALLY ASSISTED INDEBTEDNESS) DISCLOSURE

There is no aggregate outstanding indebtedness of any current or former executive officer, director or employees of the Corporation or any of its subsidiaries to the Corporation or its subsidiaries, or to other entities if the indebtedness to such other entities is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

REPORT ON EXECUTIVE COMPENSATION

Composition of the Compensation, Governance and Nominating Committee

The C,G&N Committee of the Board of Directors is responsible for, among other things, assisting the Board of Directors with respect to the compensation of RuggedCom's officers. The members of the C,G&N Committee are Guy Bridgeman, C. Ian Ross and Harry Zarek, none of whom, is or has been an officer or employee of the Corporation or any subsidiary of the Corporation; is or was since the beginning of the Corporation's most recently completed fiscal year indebted to the Corporation or any subsidiary of the Corporation; or since the beginning of the Corporation's most recently completed fiscal year had any material interest, directly or indirectly in any transaction or in any proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

Compensation Policies

In accordance with its charter, the C,G&N Committee is responsible for establishing and reviewing the overall compensation philosophy of the Corporation, establishing and reviewing the Corporation's general compensation policies applicable to the chief executive officer and other officers, evaluating the performance of the chief executive officer and other officers and approving their annual compensation, reviewing and recommending employment, consulting, retirement and severance arrangements involving officers, directors and key employees of the Corporation, and reviewing and recommending proposed and existing incentive-compensation plans and equity-based compensation plans for the Corporation's directors, officers, employees and consultants.

RuggedCom's executive compensation structure is designed to encourage and motivate executives to achieve high levels of performance, both individually and for the Corporation, particularly over the medium-to-long term. An executive's overall compensation package in any given year will reflect the functions being performed, and his or her overall contribution to the organization, capacity to improve RuggedCom's financial performance, enthusiasm and loyalty, and ability to create (or help to create) value for the benefit of the Corporation's shareholders.

An executive's compensation may be comprised of the following principal components: base salary, annual or periodic cash bonuses and stock options. The C,G&N Committee believes that the base salary and cash bonus components motivate executives in the short-to-medium term, while stock option grants align their interests with those of RuggedCom's shareholders and assist in keeping the Corporation competitive in the market for high quality executives.

Salary

Amounts paid to an executive officer as base salary, including merit salary increases, are determined by reference to the individual's performance and salaries prevailing in the marketplace for comparable positions. The base salary of each executive officer is reviewed as required. Salary adjustments take into consideration the general level of salaries in the marketplace for comparable positions, the performance of the executive and RuggedCom's performance.

Bonus

RuggedCom's cash bonus awards are designed to reward an executive for the direct contribution which he or she can make to the Corporation and, at the most senior level, are directly tied to RuggedCom's financial performance.

Stock Options

Stock option grants are an important component of the Corporation's executive compensation structure. Grants are intended to incentivize management to achieve superior long-term performance. Options align the interests of management with those of RuggedCom's shareholders and assist in keeping the Corporation competitive in the market for high quality executives.

Options are granted pursuant to the Corporation's Amended and Restated 2004 Stock Option Plan, which permits the Board of Directors to determine the vesting requirements and other key terms (other than exercise price) that will attach to the options. In accordance with their design as a long-term component of compensation, options granted to executives are generally subject to various vesting periods. When considering an award of options to an executive officer, consideration of the number of options previously granted to the executive may be taken into account, however, the extent to which such prior grants remain subject to resale restrictions are generally not a factor.

Chief Executive Officer

The C,G&N Committee determines the salary of Marzio Pozzuoli, RuggedCom's Chief Executive Officer. The overall compensation for the Chief Executive Officer is determined on the basis of a market comparison of peer group companies, taking into consideration the size and the business of the Corporation. The C,G&N Committee believes this variable compensation is an effective means of encouraging high levels of performance by linking achievement with incentive compensation. Mr. Pozzuoli is also eligible to receive certain annual cash bonuses and stock option grants.

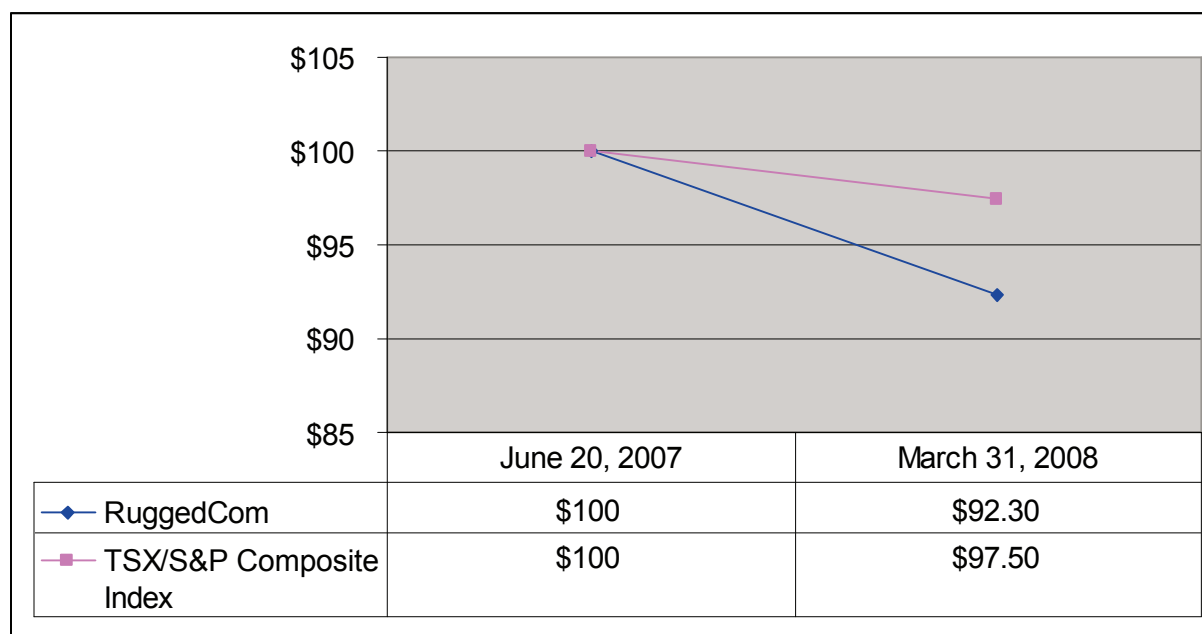
The C,G&N Committee will review all aspects of executive compensation in order to ensure that the compensation levels remain competitive and that the total compensation packages reflect the objectives and best interests of RuggedCom and its shareholders.

The foregoing Report on Executive Compensation is submitted by the C,G&N Committee:

Guy Bridgeman
C. Ian Ross
Harry Zarek

PERFORMANCE GRAPH

The following Performance Graph shows the yearly change in the cumulative total shareholder return on the Corporation's Common Shares compared with the S&P/TSX Composite Index, from the date of the Corporation's Initial Public Offering on June 20, 2007 until March 31, 2008.



DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation has purchased liability insurance for its directors and officers. The total amount of such insurance purchased and paid for by the Corporation is \$10,000,000 subject to a deductible payable by the Corporation of between \$nil and \$100,000 depending on the type of claim. The premium paid by the Corporation for this coverage was \$55,000. The aggregate premium paid by individual directors and officers for this coverage was \$nil.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

CORPORATE GOVERNANCE

The Corporation and its Board of Directors are committed to attaining the highest standards of corporate governance. The Corporation continually assesses and updates its practices and believes it employs a leading system of corporate governance to ensure the interests of shareholders are well protected. The Corporation fully complies with all applicable regulatory requirements concerning corporate governance.

The Canadian securities regulatory authorities in all of the provinces and territories of Canada (collectively, the "CSA") adopted National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201") and National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") effective June 30, 2005.

The Board of Directors and its Committees continually evaluate and enhance the Corporation's corporate governance practices by monitoring Canadian developments affecting corporate governance, accountability and transparency of public company disclosure.

The following statement of the Corporation's existing corporate governance practices is made in accordance with Form 58-101F1 of NI 58-101. The Corporation's approach to corporate governance meets or exceeds the best practices enunciated under NP 58-201.

A summary of certain aspects of the Corporation's approach to corporate governance is provided below.

Board of Directors

Independence

Multilateral Instrument 52-110 - *Audit Committees* of certain of the Canadian securities regulatory authorities ("MI 52-110") sets out the standard for determining whether a director is "independent" for the purposes of the Corporate Governance Guidelines and disclosure requirements of the Canadian securities regulatory authorities. In accordance with MI 52-110, a director is "independent" if he or she has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the director's independent judgement. MI 52-110 also sets out certain circumstances where a director will automatically be considered to have a material relationship with the Corporation.

The Board is responsible for determining whether or not each director is independent within the meaning of such term set forth in NI 58-101. In applying this definition, the Board considers all relationships of the directors with the Corporation, including business, family and other relationships.

Based upon the standard articulated in MI 52-110, all but one of the Corporation's directors are independent. Allan Brett, Guy Bridgeman, Peter Crombie, J. Ian Giffen, C. Ian Ross and Harry Zarek are the independent members of the Board of Directors. Marzio Pozzuoli is not independent by virtue of the fact that he is the Corporation's Chief Executive Officer.

The Board of Directors facilitates its exercising of independent supervision over the Corporation's management through meetings of the Board of Directors, both with and without members of the Corporation's management (including members of management that are also directors) being in attendance.

Independence of the Chair of the Board

The Chair of the Board of the Corporation, Peter Crombie, is independent. The Chair of the Board is required to ensure that the Board is properly organized, functions effectively and meets its obligations and responsibilities including those relating to corporate governance matters.

Directorships

The Board has not adopted a formal policy limiting the number of outside directorships of the Corporation's directors. Certain of the Corporation's directors are presently also directors of one or more other reporting issuers, as set out below. The Board does not believe these interlocking board relationships impact on the ability of these directors to act in the best interests of the Corporation.

<u>Director</u>	<u>Reporting Issuers</u>
Guy Bridgeman	EPCOR Power Investments Inc.
J. Ian Giffen	Corel Corporation MKS Inc.
C. Ian Ross	The Descartes System Group Inc. Ontario Power Generation Inc. Clearford Industries Inc. Pet Valu Inc. Menu Foods Income Fund

Board Meeting Attendance

During the Corporation's financial year ended March 31, 2008, there were 8 meetings of the Board of Directors, 3 meetings of the Audit Committee and 2 meetings of the C,G&N Committee. The attendance record of each of the Corporation's directors at these meetings (as applicable) is set out below:

Summary of Board and Committee Meetings Held	Summary of Attendance of Directors		
	Director	Board Meetings Attended	Committee Meetings Attended
Board of Directors	8		
Audit Committee	3		
Compensation, Governance and Nominating Committee	2		
	Allan Brett	8	Audit 3
	Guy Bridgeman	7	Compensation, Governance and Nominating 2
	Peter Crombie	8	Audit 3
	J. Ian Giffen	8	Audit 3
	Marzio Pozzuoli	8	N/A N/A
	C. Ian Ross	7	Compensation, Governance and Nominating 2
	Harry Zarek	7	Compensation, Governance and Nominating 2

Board Tenure

The Board has no mandatory retirement age requirement.

Board Mandate

The Board has adopted a written mandate which is attached as Appendix "A" to this Circular.

In accordance with board mandate, the Board of Directors is responsible for the stewardship of the Corporation and for supervising the management of its business and affairs. The Board of Directors

reviews, discusses and approves various matters relating to the Corporation's strategic direction, business and operations and its organizational structure, with a view to the Corporation's best interests.

While management is responsible for the day-to-day conduct of the Corporation's business, in carrying out its supervisory responsibilities, the Board of Directors (or the committees of the Board of Directors, as the case may be) has numerous responsibilities, including: (a) adopting a strategic planning process and approving a strategic plan; (b) identifying the Corporation's principal business risks and ensuring the implementation of appropriate systems to manage these risks; (c) ensuring appropriate succession planning in place, including appointing, training and monitoring senior management; (d) developing a communications policy for the Corporation; (e) developing policies and procedures to ensure the integrity of the Corporation's internal control and management information systems; (f) ensuring appropriate standards of corporate conduct, including adopting a code of business conduct and ethics, and monitoring compliance with and waivers from the code; (g) ensuring implementation of appropriate environmental stewardship and health and safety management systems; (h) reviewing and approving compensation of senior management; (i) adopting corporate governance guidelines or principles applicable to the Corporation; (j) reviewing annually the contribution of the board as a whole, the committees of the board and each of the directors; and (k) adopting a process for shareholders and other interested parties to communicate directly with the Board of Directors or its independent directors.

The Board of Directors has implemented and approved various processes and policies, including the adoption of a Cash Management and Investment Policy, Whistleblower Policy, Disclosure Policy, Confidentiality and Insider Trading Policy, Privacy Policy and a Code of Business Conduct and Ethics.

Position Descriptions

The Corporation's Board Mandate sets out position descriptions for the Chairman of the Board of Directors and the Chairs of each Committee. Each committee is aware of their roles and responsibilities of each such position and is aided with reference to the Charter of each committee as applicable. These roles and responsibilities include chairing meetings; planning and organizing board/committee activities; providing leadership to enhance effectiveness; ensuring responsibilities are well understood by board/committee members and management, and that the boundaries between board and management responsibilities are clearly understood and respected; ensuring that adequate resources are available, including timely and relevant information, to allow the board/committee to meet its responsibilities; and reporting to the full board on decisions or recommendations made by a committee.

A position description for the Chief Executive Officer has not yet been developed, however, the Chief Executive Officer is charged with spearheading those functions that have been delegated by the Board of Directors to management. The Board of Directors assists in the delineation of the roles and responsibilities of the Chief Executive Officer through its regular meetings and is considering implementing a position description for the Chief Executive Officer as part of the corporate governance initiatives to be examined over the next year.

Orientation and Continuing Education

Each new director brings a different skill set and professional background, and with this information, the Board of Directors is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director. The Corporation provides continuing education for its directors as such need arises and encourages open discussion at all meetings which format encourages learning by the directors.

Management provides ongoing updates about the Corporation's business activities and key investments to directors on a routine basis that is sufficient to ensure that the directors knowledge about the Corporation's business to meet their obligations as directors.

Ethical Business Conduct

We have implemented a Code of Business Conduct and Ethics (the "**Code**") to be followed by our employees, officers and directors and those of our subsidiaries. The purpose of the Code is to, among other things, promote honest and ethical conduct, avoidance of conflicts of interest and compliance with applicable governmental laws, rules and regulations. A copy of the Code is available at www.sedar.com and a summary of certain of its provisions is provided below.

The Code provides that the Corporation's employees, officers and directors are required to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and the interests of the Corporation.

The Corporation is committed to providing a healthy and safe workplace in compliance with applicable laws, rules and regulations. The Code affirms the Corporation's commitment to foster a work environment in which all individuals are treated with respect and dignity. The Corporation is an equal opportunity employer and does not discriminate against employees, officers, directors or potential employees, officers or directors on the basis of race, color, religion, sex, national origin, age or disability or any other category protected by applicable law.

All of the Corporation's employees, officers and directors are expected to comply with the Code and any waiver from any part of the Code requires the approval of the Corporation's Chief Executive Officer or the C,G&N Committee. If required under applicable securities legislation, public disclosure of the waiver will be made in the case of an officer or director.

The Code also provides that actual or potential violations of its provisions are to be reported to the Corporation's Chief Financial Officer. Additionally, in order to facilitate the reporting of complaints, the Corporation's Audit Committee has established a Whistleblower Policy with procedures for the receipt, retention and treatment of complaints regarding actual or apparent violations of this Code and/or the Corporation's Disclosure Policy and regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The Code also confirms that there will not be any reprisals against an individual who reports a violation of the Code in good faith.

Audit Committee

The Audit Committee is comprised of three directors of the Corporation, Allan Brett, Peter Crombie and Ian Giffen, all of whom are independent and financially literate for purposes of MI 52-110.

The Audit Committee has adopted a written Charter which sets out the Audit Committee's duties and responsibilities including the following: the engagement, evaluation, remuneration and retention of the external auditors; reviewing and discussing the Corporation's annual audited and quarterly unaudited financial statements with management and the external auditors; providing an avenue of communication among the external auditors, management, the internal auditing department and the Board; establishing and reviewing procedures to receive and address complaints received by the Corporation regarding accounting, internal accounting controls or audit matters and to receive and address anonymous and confidential submissions by employees of the Corporation regarding accounting or auditing matters; discussing guidelines and policies to govern the process by which financial risk assessment and financial

risk management is undertaken; regularly reporting to the Board on issues that arise with respect to the quality and integrity of the Corporation's financial statements; and the determination of which non-audit services the external auditors are prohibited from providing. The Audit Committee Mandate specifies that the external auditors shall report directly to the Audit Committee in its capacity as a Committee of the Board. The Board reviews and re-assesses this Charter on an annual basis.

The Audit Committee reviews and provides recommendations to the Board on the adequacy of the Corporation's internal control system and ensures that management, the external auditors and the internal auditors provide to the Audit Committee an annual report on the Corporation's control environment as it pertains to the Corporation's financial reporting process and controls.

The Audit Committee meets regularly *in-camera* with the external auditors. The Audit Committee Mandate requires that the Audit Committee meet regularly with the external auditors without management present.

The Audit Committee may retain, obtain advice or otherwise receive assistance from independent counsel, accountants or others to assist it in carrying out any of its duties.

For further information about the Corporation's Audit Committee and a copy of the Audit Committee Mandate, please see page 31 and Appendix "A" of the Corporation's Annual Information Form dated June 18, 2008, which is available on the Corporation's website at www.RuggedCom.com and on SEDAR at www.sedar.com.

Nomination of Directors

The C,G&N Committee of the Board of Directors is responsible for assisting the Board of Directors in respect of the nomination of directors and is required to identify new candidates for appointment to the board.

The committee has not yet had an opportunity to recommend nominees to fill any vacancies on the board. As part of its mandate going forward, however, the C,G&N Committee is required to analyze the Corporation's needs when a vacancy does arise and identify individuals who can meet such needs and who, by virtue of their skills, areas of expertise, industry knowledge, geographic location and geographic and industry contacts, are best able to contribute to the direction of the Corporation's business and affairs. The identification of candidates will also be made in the context of the existing competencies and skills which the Board of Directors, as a whole, does possess and, to the extent different, should possess. If desirable, the committee may also retain search firms to assist it in identifying candidates. Once suitable candidates are identified, they are presented for consideration to the Board of Directors.

Compensation

The C,G&N Committee is responsible for assisting the Board of Directors in respect of officer compensation matters. In accordance with its charter, the committee establishes and reviews the Corporation's overall compensation philosophy and, at least annually, its general compensation policies with respect to the chief executive officer (and other officers), including the corporate goals and objectives and the annual performance objectives relevant to him. The committee evaluates the chief executive officer's performance in light of these goals and objectives and, based on its evaluation, determines and approves the annual salary, bonus, options and other benefits of the chief executive officer. In determining his compensation, the committee may consider a number of factors, including the Corporation's performance, the value of similar incentive awards to chief executive officers at comparable

companies, the awards given to the chief executive officer in past years and other factors it considers relevant.

The C,G&N Committee is responsible for, among other things, reviewing the adequacy and form of compensation of the Corporation's directors, with a view to ensuring it realistically reflects the responsibilities and risks involved in being a director of the Corporation. The committee recommends to the Board of Directors for approval the form of remuneration of directors and the amount to which each director will be entitled.

Other Board Committees

The Corporation does not have any other board committees, other than the Audit Committee and the C,G&N Committee. As part of its mandate, however, the C,G&N Committee is responsible for assisting the board in the enhancement of governance. The governance responsibilities of the committee include: (i) facilitating the independent functioning of the Board of Directors and maintaining an effective relationship between the Board and management; (ii) developing corporate governance guidelines for the Corporation; (iii) reviewing the performance and qualifications of the directors in connection with their re-election; (iv) monitoring compliance with the Code and the Corporation's Insider Trading Policy; (v) annually reviewing the Board of Directors and its committees; and (vi) considering and making available continuing education opportunities for directors.

In carrying out its duties, the C,G&N Committee has the discretion to engage and compensate outside advisors which it determines are necessary.

Assessments

The Board of Directors will annually review its own performance and effectiveness as well as review annually the Audit Committee Charter and recommend revisions to the Board of Directors as necessary. In accordance with its Charter, the Audit Committee reviews the Charter annually to assess whether any changes to it should be recommended to the Board of Directors. In accordance with its Charter, each of the Audit Committee and the C,G&N Committee reviews and evaluates, at least annually, its performance and the performance of its members, and reviews its Charter to assess whether any changes to it should be recommended to the Board of Directors.

Neither the Corporation nor the Board of Directors has determined formal means or methods to regularly assess the Board of Directors or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of each individual director is informally monitored by the other members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board of Directors.

The Corporation feels its corporate governance practices are appropriate and effective for the Corporation, given its size and operations. The Corporation's method of corporate governance allows for the Corporation to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

ADDITIONAL INFORMATION

Upon request to the Secretary of the Corporation at 30 Whitmore Road, Woodbridge, Ontario, Canada, L4L 7Z4, the Corporation shall provide to any person or company, one copy of: (i) the Corporation's

latest annual information form (AIF"), together with any document, or the pertinent pages of any document, incorporated therein by reference, (ii) the financial statements of the Corporation for its most recently completed financial year in respect of which such financial statements have been issued, together with the report of the auditors thereon, management's discussion and analysis of operating results ("MD&A") and any interim financial statements of the Corporation issued subsequent to the annual financial statements together with related MD&A; and (iii) the information circular of the Corporation in respect of the most recent annual meeting of its shareholders. The Corporation may require the payment of a reasonable charge when the request is made by someone who is not a security holder thereof, unless securities of the Corporation are in the course of a distribution pursuant to a short form prospectus, in which case such documents will be provided free of charge.

Financial information is provided in the Corporation's financial statements and MD&A for its most recently completed financial year.

Information relating to the Audit Committee can be found in the section of the AIF entitled "Audit Committee". Additional information relating to the Corporation is available on SEDAR at www.sedar.com.

APPROVAL BY DIRECTORS

The contents and the sending of this Circular have been approved by the Board of Directors.

Signed

Woodbridge, Ontario
[June 20, 2008]

Marzio Pozzuoli,
President and Chief Executive Officer

APPENDIX A

RUGGEDCOM INC.

(the "Company")

BOARD OF DIRECTORS MANDATE

Adopted by the Board of Directors on May 25, 2007

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RUGGEDCOM INC.
(the "Company")

BOARD MANDATE

To the directors of RuggedCom Inc. (the "Company")

1. GENERAL

The fundamental responsibility of the Board of Directors (the "**Board**") is to supervise the management of the business and affairs of the Company.

The Board has adopted this Mandate, which reflects the Company's commitment to high standards of corporate governance, to assist the Board of the Company in supervising the management of the business and affairs of the Company.

The Board believes that sound corporate governance practices are essential to the well-being of the Company and the promotion and protection of its shareholders' interests. The Board oversees the functioning of the Company's governance system, in part through the work of the Compensation, Governance and Nominating Committee.

The Board promotes fair reporting, including financial reporting, to shareholders of the Company and other interested persons as well as ethical and legal corporate conduct through an appropriate system of corporate governance, internal controls and disclosure controls. The Board believes that the Company is best served by a board of directors that functions independently of management and is informed and engaged.

The Compensation, Governance and Nominating Committee will review this Mandate annually, or more often if warranted, and recommend to the Board such changes as it deems necessary and appropriate in light of the Company's needs and legal and regulatory developments.

2. BOARD COMPOSITION

(a) Board Membership Criteria

The Compensation, Governance and Nominating Committee is responsible for establishing the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; the competencies and skills that the Board considers each existing director to possess; and the competencies and skills each new candidate to be elected or appointed by shareholders will bring to the Board.

The Compensation, Governance and Nominating Committee recommends Board members for nomination. In making its recommendations, the Compensation, Governance and Nominating Committee focuses on the competencies, skills, and personal qualities of the candidates as well as the business experience that the candidates possess to enhance the Board's decision-making process and overall management of the business and affairs of the Company.

Directors must have sufficient time to carry out their duties and not assume responsibilities which would materially interfere with or be incompatible with Board membership. Directors who change their principal occupation are expected to advise the Compensation, Governance and Nominating Committee and, if determined appropriate by the Compensation, Governance and Nominating Committee, resign from the Board.

(b) Director Independence

The Board's composition and procedures are designed to permit it to function independently from management and to promote and protect the interests of all shareholders. A majority of directors holding office at any time shall not be non-residents.

The Board will determine whether a director is an "**Independent Director**", within the meaning of Part I of Multilateral Instrument 52-110.

The Board will review the independence of all directors on an annual basis. To facilitate this review, directors will be asked to provide the Board with full information regarding their business and other relationships with the Company and its affiliates, with senior management and their affiliates. Directors have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships which may affect the Board's determination as to their independence.

(c) Board Size

The current Board is comprised of seven (7) directors and the Board considers this to be an appropriate size for effective decision-making and Committee work given the nature of the operations of the Company and its subsidiaries and its current ownership. The Board has been given the authority by shareholders to increase the Board size to ten (10) directors.

(d) Quorum

Subject to the *Business Corporations Act* (Ontario) and the Company's by-laws, the quorum for the transaction of business at any meeting of the board shall be a majority of the number of directors then in office or such greater number of directors as the board may from time to time determine by resolution.

(e) Term

Directors are generally elected at the annual meeting of shareholders of the Company for a term expiring at the close of the next annual meeting of shareholders. The Board does not believe it should establish term limits or mandatory retirement ages for its members as such limits may deprive the Company and its shareholders of the contributions of members who have been able to develop, over time, valuable insights into the Company, its strategy and business operations.

(f) Board Succession

The Compensation, Governance and Nominating Committee is responsible for maintaining a Board succession plan that is responsive to the Company's needs and the interests of its shareholders.

(g) Service on Other Boards and Committees

The Board does not believe that its members should be prohibited from serving as a director or in a similar position for a government agency or an outside entity, so long as these commitments do not create a conflict of interest or interfere with their ability to fulfill their duties as a member of the Board. Directors must be mindful of the number of

other public company boards and committees of those boards on which they serve, taking into account potential board and committee attendance, participation and effectiveness on those boards and committees.

On or before accepting an appointment to the board or a committee of any entity, a director should advise the Chairman of the Board.

3. DIRECTORS' RESPONSIBILITIES

Directors must act honestly and in good faith with a view to the best interests of the Company and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In order to fulfill their responsibilities, each director is expected to:

- (i) participate, with management, in developing a multi-year strategic plan and annual business plans and approve such plans;
- (ii) develop and maintain a thorough understanding of the Company's operational and financial objectives, financial position and performance and the performance of the Company relative to its principal competitors;
- (iii) ensure that the Company's activities are at all times conducted in accordance with the purpose of the Company, its strategic plan and operating policies;
- (iv) diligently prepare for each meeting, including reviewing all meeting materials distributed in advance;
- (v) actively and constructively participate in each meeting, including seeking clarification from management and outside advisors where necessary to fully understand the issues under consideration;
- (vi) engage in continuing education programs for directors, as appropriate; and
- (vii) diligently attend meetings of the Board and any Committee of which he or she is a member.

4. BOARD DUTIES AND RESPONSIBILITIES

In fulfilling its responsibilities, the Board is, among other matters, responsible for the following matters.

(a) Shareholder and Governance Matters

The Board will be responsible for dealing with the following matters:

- (i) the approval of submission of matters or questions requiring the approval of shareholders;
- (ii) the approval of the submission to the shareholders of any amendment to the articles of the Company or the approval of any adoption, amendment or repeal of any by-laws of the Company;
- (iii) the recommendation of candidates for election or appointment to the Board, including the review of nominations recommended by shareholders;

- (iv) the adoption of corporate governance guidelines or principles applicable to the Company, including with respect to the size and composition of the Board, the criteria to be utilized for the identification of individuals qualified to be selected as directors, the responsibilities, compensation and tenure of directors, and the assessment of the performance of the Board, its committees and directors;
 - (v) the determination of the “independence” of directors and Audit Committee members and the determination of the “financial literacy” of Audit Committee members;
 - (vi) the adoption of a process for shareholders and other interested parties to communicate directly with the Board and with individual directors, as appropriate; and
 - (vii) the establishment of the Compensation, Governance and Nominating Committee, whose role will be to develop and implement an appropriate system of corporate governance, including practices to facilitate the Board's independence.
- (b) Appointment and Supervision of Chief Executive Officer and Senior Management
- (i) The Board appoints and supervises the CEO and other members of senior management of the Company, approves their compensation and, as permitted by applicable law, delegates to senior management responsibility for the day-to-day operations of the Company.
 - (ii) The Board will, to the extent feasible, satisfy itself as to the integrity of the CEO and the CFO and that the CEO and the CFO create a culture of integrity throughout the Company.
 - (iii) The Board will be responsible for the adoption of processes for succession planning, the periodic review of succession plans for key members of senior management (including the CEO), and the appointment and monitoring the performance and compensation of senior management, including officers, of the Company.
 - (iv) The Board will approve the annual or semi-annual goals and objectives of the Company and the CEO, and the assessment of the performance of the Company and the CEO against the approved objectives.
- (c) Strategic Planning and Risk Management
- The Board will develop with management business plans with measurable performance indicators and will approve such plans. In this regard, the Board will:
- (i) review and approve on an annual basis a business and strategic plan developed with management that includes rigorous but realistic goals;
 - (ii) approve business and operational policies within which management will operate in relation to capital expenditures, acquisitions and dispositions, disclosure and communications, finance and investment, risk management, human resources, internal controls over financial reporting, disclosure controls and management information systems;

- (iii) set annual corporate and management performance targets consistent with the Company's strategic plan;
 - (iv) confirm that a system is in place intended to identify the principal risks facing the Company and its subsidiaries and their businesses and that appropriate procedures are in place to monitor and mitigate such risks, including the oversight of the management of environmental risks and practices; and
 - (v) confirm that processes are in place intended to address and comply with applicable legal, regulatory, corporate, securities and other compliance matters.
- (d) Financial Reporting and Management

The Board will:

- (i) oversee the reliability and integrity of accounting principles and practices followed by management, financial statements and other financial reporting, and disclosure principles and practices followed by management;
 - (ii) review the qualifications and independence of the independent auditors of the Company and approve the terms of their audit and non-audit service engagements as required in accordance with applicable laws and the requirements of any stock exchanges on which the Company lists its securities and of securities regulatory authorities, as adopted or amended and in force from time to time, and the assessment of the performance of the independent auditors, the filling of a vacancy in the office of the independent auditor between shareholders' meetings, and recommend the annual appointment or, if appropriate, the removal, of the independent auditors of the Company to the shareholders of the Company for their approval in accordance with applicable laws;
 - (iii) approve the Company's annual and interim consolidated financial statements and related management's discussion and analysis;
 - (iv) approve annual operating and capital budgets;
 - (v) review the integrity of the Company's internal controls over financial reporting and management information systems; and
 - (vi) review operating and financial performance results relative to established strategies, plans, budgets and objectives.
- (e) Disclosure

The Board will:

- (i) cause appropriate policies and procedures to be established regarding public disclosure, communications and restricted trading by insiders. In this regard, the Board will cause a designated committee of the Board to develop, adopt and periodically review a written disclosure and insider trading policy;
- (ii) adopt and monitor compliance with the Code of Business Conduct and Ethics adopted by the Company from time to time and the granting of any waivers in

respect of compliance with the Code of Business Conduct and Ethics in accordance with the applicable requirements, if any, of the stock exchanges on which the Company lists its securities and securities regulatory authorities, as adopted or amended and in force from time to time.

(f) Approval of Certain Other Matters

Notwithstanding the delegation to management of the authority to manage the business of the Company, Board approval must be obtained for the following:

- (i) any material departure from an established strategy, operating or capital budget or policy approved by the Board;
- (ii) material financings, customer financings, acquisitions, dispositions, investments and other material transactions not in the ordinary course of business and/or in excess of the limits prescribed from time to time by the Board;
- (iii) the authorization of the issuance of securities of the Company as required in accordance with applicable laws;
- (iv) the declaration of dividends on shares of the Company or the approval of the purchase, redemption or other acquisition of shares issued by the Company as required in accordance with applicable laws;
- (v) the entering into of any agreement or transaction the performance of which could result in an actual or contingent liability that would be material to the Company; and
- (vi) such other matters as the Board may, from time to time, determine require its approval.

5. CHAIR

(a) Appointment

The Board will each year elect one Independent Director to be Chair of the Board.

(b) General

The Chair of the Board is responsible for the management, development and effective performance of the directors, and for providing leadership to the directors in carrying out their collective responsibility for supervising the management of the business and affairs of the Company.

(c) Specific Role and Responsibilities.

The Chair will use his or her best efforts to:

- (i) ensure that appropriate procedures are in place to allow the Board to work effectively and efficiently and to function independently of management;

- (ii) ensure that the responsibilities of the Board are understood by both the directors and management and that the boundaries between the Board's and management's responsibilities are understood and respected;
- (iii) ensure the responsibilities of the directors are effectively carried out in compliance with this Mandate and that the functions of the Board delegated to Committees are carried out by the Committees and reported to the Board;
- (iv) maintain an effective relationship between the Board and management of the Company;
- (v) provide direction and advice to management, including defining major issues, maintaining accountability to stakeholders and building relationships;
- (vi) ensure that the Board and the Committees have the necessary resources to support their work (in particular, timely and relevant information);
- (vii) ensure compliance with the Company's governance policies, including those regarding regularity and conduct of Board meetings, managing and reporting information and other policies relating to the Board's business;
- (viii) provide leadership to ensure that the Board works as a cohesive team;
- (ix) require the Board to meet as many times as necessary for the directors to carry out their duties and responsibilities effectively;
- (x) on an ongoing basis, work with the CEO to develop schedules of meetings of the Board and Committees and, in consultation with other directors and senior management, establish the agenda of the Board;
- (xi) chair meetings of the Board, including requiring appropriate briefing materials to be delivered in a timely fashion, stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual directors and ensuring that clarity regarding decisions is reached and duly recorded;
- (xii) chair meetings of the shareholders of the Company;
- (xiii) work closely with the CEO to ensure that the Company is building a healthy corporate governance culture;
- (xiv) work closely with the Compensation, Governance and Nominating Committee to develop strategic criteria for recruitment of directors and succession planning;
- (xv) work closely with the CEO to ensure effective relations with the Board and external stakeholders, such as shareholders, the investment community, the media, governments and the public generally;
- (xvi) ensure that functions are delegated to appropriate Committees and that the functions are carried out and the results reported to the Board;

- (xvii) actively participate in and oversee the administration of an annual evaluation of the performance and effectiveness of the CEO, Board, Committees, and all individual directors and Committee Chairs; and
- (xviii) carry out other duties as requested by the directors, as needs and circumstances arise.

6. BOARD COMMITTEES

(a) General

The Board carries out its responsibilities directly and through the Audit Committee and the Compensation, Governance and Nominating Committee and such other Committees as it may establish from time to time.

(b) Committee Chairs

Each Committee will appoint one member who is qualified for such purpose to be Chair of each Committee, to serve until the next annual election of directors or otherwise until his or her successor is duly appointed. If, following the election of directors in any year, the Board does not appoint a Chair of each Committee, the incumbent Chair will continue in office until a successor is appointed.

The Chair will use his or her best efforts to:

- (i) in consultation with the Chair of the Board, CEO, CFO and the Committee members, as appropriate, determine the time and location of meetings of the Committee;
- (ii) ensure the Committee's activities are consistent with, and fulfill, the Committee's Charter;
- (iii) take all reasonable steps to ensure that the responsibilities and duties of the Committee, as outlined in its Charter, are well understood by the Committee members and executed as effectively as possible;
- (iv) require the Committee to meet as many times as necessary to carry out its responsibilities effectively;
- (v) in consultation with the Chair of the Board, Committee members, CEO and CFO as appropriate, review the meeting agendas to ensure all required business is brought before the Committee to enable the Committee to carry out its responsibilities;
- (vi) with the assistance of the CEO and CFO, ensure that agenda items for all Committee meetings are ready for presentation and that adequate information is distributed to Committee members in advance of such meetings in order that Committee members may properly inform themselves on matters to be acted upon;
- (vii) ensure that minutes are kept of all meetings and sign minutes approved by the Committee;

- (viii) report to the Board at its next meeting following any decision or recommendation arising from any meeting of the Committee or the signing of a written resolution evidencing a decision or recommendation of the Committee, including reporting on the considerations that led to such decision or recommendation;
 - (ix) provide leadership to enable the Committee to act as an effective team in carrying out its responsibilities; and
 - (x) act as liaison between the Board and the Committee and between management and the Committee and also act as liaison with outside advisors to the Committee.
- (c) Charters

Each Committee is empowered to adopt a Charter which sets out its responsibilities and duties, qualifications for membership procedures for Committee member appointment and removal and reporting to the Board. On an annual basis, each Committee's Charter will be reviewed by both the Committee itself and the Compensation, Governance and Nominating Committee and is also reviewed and approved by the Board.

7. BOARD AND COMMITTEE MEETINGS

(a) Scheduling

Board meetings are scheduled in advance at appropriate intervals throughout the year, which will be not less than quarterly. In addition to regularly scheduled Board meetings, additional Board meetings may be called upon proper notice at any time to address specific needs of the Company.

Each Committee shall meet as often as it determines is necessary to fulfill its responsibilities, which will be not less than quarterly.

(b) Agenda

The Chair establishes the agenda for each Board meeting in consultation with the other directors and the CEO. Any director may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

Committee Chairs establish the agenda for each Committee meeting. Any Committee member may propose the inclusion of items on the agenda, request the presence of or a report by any member of management, or at any Committee meeting raise subjects that are not on the agenda for the meeting.

An officer of the Company will distribute an agenda and meeting materials in advance of each Board or Committee meeting to allow Board or Committee members, as the case may be, sufficient time to review and consider the matters to be discussed.

(c) Meetings of Independent Directors

To promote open discussion among the Independent Directors, those directors meet separately at least quarterly, at regularly scheduled Board meetings without non-independent directors and management present and will meet at such other time as any

Independent Director may request. These meetings are chaired by the Chair of the Board, who informs senior management of the substance of these meetings to the extent that action is required by them.

(d) Distribution of Information

Information that is important to the Board's understanding of the business and its agenda is distributed to directors sufficiently in advance of Board meetings to permit the directors adequate time to consider the material and ask questions of management as appropriate. Sensitive subject matters may be discussed at a meeting without written materials being distributed in advance or at the meeting.

(e) Preparation, Attendance and Participation

Each director is expected to be diligent in attending meetings of the Board and any Committee of which he or she is a member. In addition, each director is expected to attend each annual meeting of shareholders. A director who is unable to attend a Board or Committee meeting in person may participate by telephone or teleconference.

(f) Attendance of Non-Directors at Board Meetings

The CFO and the Secretary of the Company are expected to attend Board meetings. The CEO, at his or her discretion, may invite other employees, advisors or consultants to attend the Board meetings for the purpose of making presentations or otherwise providing advice to the Board. The Chair, at his or her discretion, will also invite employees of the Company, consultants, advisors or others, as appropriate to attend Board meetings.

(g) Procedures

Procedures for Board meetings are determined by the Chair unless otherwise determined by a resolution of the Board.

Procedures for Committee meetings are determined by the Chair of the Committee unless otherwise determined a resolution of the Committee or the Board.

8. COMPENSATION OF DIRECTORS

The initial compensation of the directors is described in the Prospectus. The Compensation, Governance and Nominating Committee has the responsibility for recommending to the Board compensation and benefits for service on the Board and on Board Committees by directors. In discharging this duty, the Compensation, Governance and Nominating Committee will be guided by three goals: compensation should fairly pay directors for work required in an issuer of the Company's size and scope; it should not exceed what is customary given the size and scope of the Company's business and operations; compensation should align directors' interests with the long-term interests of shareholders, and the structure of the compensation should be simple, transparent and easy for shareholders to understand. Not less often than annually, the Compensation, Governance and Nominating Committee shall review director compensation and benefits and recommend any changes to the Board.

9. BOARD ACCESS TO MANAGEMENT, OUTSIDE COUNSEL AND ADVISORS

The Board has complete access to members of management and the Company's outside counsel and auditors. It is the obligation of each director to use judgment to ensure that such contact is not distracting to the business operations of the Company and that, except as may be inappropriate, the CEO is advised

of all such retainers. The Board and its Committees may invite any member of management, employee, outside advisor or other person to attend any of their meetings.

The Board and any of its Committees may retain an outside advisor at the expense of the Company at any time and have the authority to determine the advisor's fees and other retention terms. Individual directors may retain an outside advisor at the expense of the Company with the approval of the Compensation, Governance and Nominating Committee.

10. PERFORMANCE ASSESSMENT OF THE BOARD AND ITS COMMITTEES

The Compensation, Governance and Nominating Committee annually reviews the effectiveness of the Board and its Committees in fulfilling their responsibilities and duties.

In addition, the Compensation, Governance and Nominating Committee evaluates individual directors to assess their suitability for nomination for re-election or re-appointment.

11. CODE OF BUSINESS CONDUCT AND ETHICS

The Company is bound by and operates pursuant to a Code of Business Conduct and Ethics. The purpose of this document is to ensure that the Company maintains a high level of trust and integrity in accordance with the highest ethical standards.

12. MANAGEMENT

Management is responsible, on a shared basis with the Board, for developing strategy, and directly responsible for implementing strategy. Management is also responsible for safeguarding the Company's assets and for creating wealth for shareholders. When management performance is inadequate, the Board has the responsibility to bring about appropriate change, and when management performance is effective, the Board will reward management accordingly.

The Company's governance guidelines are designed to create autonomy and effective decision-making of management, and to ensure appropriate oversight by the Board and the Board's Committees. Senior management, through the CEO, reports to and is accountable to the Board.

The Board, in consultation with the Compensation, Governance and Nominating Committee, maintains a succession plan for the CEO and establishes objectives against which performance is bench-marked. Compensation is assessed against objectives which are established. Similar reviews and assessments are undertaken for other members of senior management in consultation with the CEO.