

# **REDISHRED CAPITAL CORP.**

---

**Notice of Annual Meeting of Shareholders**

**to be held on May 14, 2009**

---

**Management Information Circular**

**Dated April 14, 2009**

---

## TABLE OF CONTENTS

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS .....	1
MANAGEMENT INFORMATION CIRCULAR .....	1
PROXIES.....	1
Solicitation of Proxies.....	1
Appointment and Revocation of Proxies .....	1
INFORMATION CONCERNING REDISHRED .....	3
Acquisition of Professional Shredding Corporation.....	3
VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF .....	3
STATEMENT OF EXECUTIVE COMPENSATION .....	4
Compensation Discussion and Analysis.....	4
Summary Compensation Table.....	5
NEO Outstanding Stock Options.....	5
Termination and Change of Control Benefits.....	6
Director Compensation Table.....	7
Director Outstanding Stock Options.....	7
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS .....	8
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE.....	9
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS.....	9
INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS.....	9
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON.....	10
MANAGEMENT CONTRACTS.....	10
PARTICULARS OF MATTERS TO BE ACTED UPON AT MEETING.....	10
Financial Statements .....	10
Election of Directors.....	10
Appointment of Auditors.....	14
Approval of Stock Option Plan.....	15
AUDIT COMMITTEE INFORMATION .....	15
External Auditors Fees .....	16
STATEMENT OF CORPORATE GOVERNANCE PRACTICES.....	16
ADDITIONAL INFORMATION.....	17
BOARD APPROVAL .....	17
APPENDIX "A" – AUDIT COMMITTEE CHARTER.....	18

**REDISHRED CAPITAL CORP.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO: THE SHAREHOLDERS OF REDISHRED CAPITAL CORP.**

**NOTICE IS HEREBY GIVEN** that an annual meeting (the "Meeting") of the holders ("Shareholders") of common shares ("Common Shares") of RediShred Capital Corp. ("RediShred") will be held at the **Delta Meadowvale, 6750 Mississauga Road, Mississauga, Ontario L5N 2L3, on Thursday, May 14, 2009, at 2 p.m. (E.S.T.)** for the following purposes:

1. to receive the consolidated financial statements of RediShred for the financial year ended December 31, 2008 and the auditors' report thereon;
2. to elect directors of RediShred for the ensuing year;
3. to appoint the auditors of RediShred for the forthcoming year and to authorize the directors of RediShred to fix the remuneration of the auditors;
4. to approve RediShred's Stock Option Plan; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Management Information Circular accompanying and forming part of this Notice.

Only Shareholders of record as at the close of business on April 9, 2009 are entitled to receive notice of the Meeting and, except as noted in the Management Information Circular, to vote at the Meeting.

To assure your representation at the Meeting as a Registered Shareholder, please complete, sign, date and return the enclosed proxy, whether or not you plan to personally attend the Meeting. Sending your proxy will not prevent you from voting in person at the Meeting. All proxies completed by Registered Shareholders must be received by RediShred's transfer agent, **Computershare Investor Services Inc.**, not later than **Tuesday, May 12, 2009**. A Registered Shareholder must return the completed proxy to Computershare Investor Services Inc. by mail or delivery to the attention of the Proxy Department at 100 University Ave, 9th Floor, Toronto, Ontario M5J 2Y1.

**Non-Registered Shareholders** whose Common Shares are registered in the name of an intermediary should carefully follow voting instructions provided by the intermediary. More detailed description on returning proxies by Non-Registered Shareholders can be found on page 2 of the attached Management Information Circular.

If you receive more than one proxy or voting instruction form, as the case may be, for the Meeting, it is because your Common Shares are registered in more than one name. To ensure that all of your Common Shares are voted you should sign and return all proxies and voting instruction forms that you receive.

**DATED** at Toronto, Ontario, this 14th day of April, 2009.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Jeffrey Hasham*"  
Jeffrey Hasham  
Chief Financial Officer and Secretary

**REDISHRED CAPITAL CORP.**

**MANAGEMENT INFORMATION CIRCULAR**

**(As at April 14, 2009, except as indicated)**

**PROXIES**

**Solicitation of Proxies**

**THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF REDISHRED CAPITAL CORP.** ("RediShred") for use at the annual meeting (the "Meeting") of the shareholders of RediShred (the "Shareholders") to be held on Thursday, May 14, 2009, **at 2 p.m. (E.S.T.), at the Delta Meadowvale, 6750 Mississauga Road, Mississauga, Ontario, L5N 2L3**, and at any adjournment thereof, for the purposes set forth in the enclosed Notice of Annual Meeting. It is expected that the solicitation will be made primarily by mail, but may also be by telephone or other means of communication by the directors, officers, employees and agents of RediShred at nominal cost. **This solicitation of proxies is being made by or on behalf of management of RediShred.** All costs of the solicitation will be borne by RediShred.

**Appointment and Revocation of Proxies**

***General***

Shareholders of RediShred may be "Registered Shareholders" or "Non-Registered Shareholders". If common shares of RediShred ("Common Shares") are registered in the name of an intermediary and not registered in the Shareholder's name, they are said to be owned by a "Non-Registered Shareholder". An intermediary is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates. The instructions provided below set forth the different procedures for voting Common Shares at the Meeting to be followed by Registered Shareholders and Non-Registered Shareholders.

The persons named in the enclosed instrument appointing proxy are officers and directors of RediShred. **Each Shareholder has the right to appoint a person or company (who need not be a Shareholder) to attend and act for him at the Meeting other than the persons designated in the enclosed form of proxy.** Shareholders who have given a proxy also have the right to revoke it insofar as it has not been exercised. The right to appoint an alternate proxyholder and the right to revoke a proxy may be exercised by following the procedures set out below under "*Registered Shareholders*" or "*Non-Registered Shareholders*", as applicable.

***Registered Shareholders***

Registered Shareholders have two methods by which they can vote their Common Shares at the Meeting, namely in person or by proxy. To assure representation at the Meeting, Registered Shareholders are encouraged to return the proxy included with this Management Information Circular. Sending in a proxy will not prevent a Registered Shareholder from voting in person at the Meeting. His vote will be taken and counted at the Meeting. Registered Shareholders who do not plan to attend the Meeting or do not wish to vote in person can vote by proxy.

All proxies completed by Registered Shareholders must be received by RediShred's transfer agent, **Computershare Investor Services Inc.**, not later than **Tuesday, May 12, 2009**. A Registered

Shareholder must return the completed proxy to Computershare Investor Services Inc. by mail or delivery to the attention of the Proxy Department at 100 University Ave, 9th Floor, Toronto, Ontario M5J 2Y1.

To exercise the right to appoint a person or company to attend and act for a Registered Shareholder at the Meeting, such Shareholder must strike out the names of the persons designated on the enclosed instrument appointing proxy and insert the name of the alternate appointee in the blank space provided for that purpose.

To exercise the right to revoke a proxy, in addition to any other manner permitted by law, a Shareholder who has given a proxy may revoke it by instrument in writing, executed by the Shareholder or his attorney authorized in writing, or if the Shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited: (i) with RediShred at the registered office of RediShred at any time up to and including the last business day preceding the Meeting at which the proxy is to be used, or at any adjournment thereof, or (ii) with the Chairman of such Meeting on the date of the Meeting, or at any adjournment thereof, and upon either of such deposits the proxy is revoked.

### ***Non-Registered Shareholders***

RediShred has distributed copies of the Meeting materials to intermediaries for distribution to Non-Registered Shareholders. Intermediaries are required to deliver these materials to all Non-Registered Shareholders of RediShred who have not waived their rights to receive these materials, and to seek instructions as to how to vote the Common Shares. Often, intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward these meeting materials to Non-Registered Shareholders.

Non-Registered Shareholders who receive Meeting materials will typically be given the ability to provide voting instructions in one of two ways:

- (a) Usually, a Non-Registered Shareholder will be given a voting instruction form which must be completed and signed by the Non-Registered Shareholder in accordance with the instructions provided by the intermediary. In this case, the mechanisms described above for Registered Shareholders cannot be used and the instructions provided by the intermediary **must** be followed.
- (b) Occasionally, a Non-Registered Shareholder may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Common Shares owned by the Non-Registered Shareholder but is otherwise not completed. This form of proxy does not need to be signed by the Non-Registered Shareholder but must be completed by the Non-Registered Shareholders and returned to Computershare Investor Services Inc. in the manner described above for Registered Shareholders.

The purpose of these procedures is to allow Non-Registered Shareholders to direct the proxy voting of the Common Shares that they own but that are not registered in their name. Should a Non-Registered Shareholder who receives either a form of proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on their behalf), the Non-Registered Shareholder should strike out the names of the persons designated on the enclosed form of proxy and insert the Non-Registered Shareholder's name (or the name of his alternate appointee) in the blank space provided for that purpose or, in the case of a voting instruction form, follow the corresponding instructions provided by the intermediary. **In either case, Non-Registered Shareholders should carefully follow the instructions provided by the intermediary.**

To exercise the right to revoke a proxy, a Non-Registered Shareholder who has completed a proxy (or a voting instruction form, as applicable) should carefully follow the instructions provided by the intermediary.

### *Voting of Proxies*

Where a choice is specified, the Common Shares represented by proxy will be voted for, withheld from voting or voted against, in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **Where no choice is specified, the proxy will confer discretionary authority and will be voted in favour of all matters referred to in the form of proxy. The proxy also confers discretionary authority to vote for, withhold from voting, or vote against amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting or any adjournment thereof.**

The management of RediShred has no present knowledge of any amendments or variations to matters identified in the Notice of Meeting or of any additional matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their best judgment of such matters.

## **INFORMATION CONCERNING REDISHRED**

### **Acquisition of Professional Shredding Corporation**

At fiscal year ended December 31, 2007 and until March 17, 2008, RediShred was a "capital pool company" under the policies of the TSX Venture Exchange and had no operations. On March 17, 2008, RediShred acquired all of the issued and outstanding securities of Professional Shredding Corporation in exchange for \$3,600,000 and the issuance of issued 3,269,231 common shares to the vendor, Professional Shredding Partnership. In order to finance the purchase price, RediShred completed a private placement of 9,615,383 common shares at a price of \$0.52 per common share for gross proceeds of \$5 million. The acquisition served as RediShred's qualifying transaction pursuant to the policies of the TSX Venture Exchanges. As a result, RediShred is no longer considered a capital pool company.

With the acquisition, RediShred, through Professional Shredding Corporation and its wholly owned subsidiary Proshred Franchising Corp., franchises the right in the United States and internationally outside of Canada to sell on-site services for the destruction and disposal of documents and other sensitive and confidential materials under the trademark **PROSHRED®**.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

As at April 14, 2009, 22,884,614 Common Shares were issued and outstanding, each such Common Share carrying the right to one vote on a ballot at the Meeting.

The board of directors of RediShred has fixed the record date for the Meeting as the close of business on Thursday, April 14, 2009 (the "Record Date"). Only Shareholders as of the close of business on the Record Date will be entitled to vote at the Meeting. If a person acquires ownership of Common Shares after the Record Date, such person may, on proof of ownership of such Common Shares, demand not later than 10 days before the Meeting that such person's name be included in the list of persons entitled to attend and vote at the Meeting.

To the knowledge of the directors and executive officers of RediShred, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities of RediShred carrying more than 10% of the voting rights attached to any class of voting securities of RediShred, except as set out below:

Shareholder and Municipality of Residence	Type of Ownership/ Control	Number of Voting Securities	Percentage of Voting Securities
Professional Shredding Partnership, Toronto, Ontario	Direct	3,269,230 Common Shares	14.28% of Common Shares

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The following discussion and analysis outlines the compensation structure for Redishred's Chief Executive Officer and President, John Prittie; Chief Financial Officer and Secretary, Jeffrey Hasham; and Chief Operating Officer, Timothy Tibbs ( collectively, the "Named Executive Officers" or "NEOs") in 2008.

The objective of Redishred's compensation strategy is to attract and retain key personnel motivate performance, personal growth and sustain high morale. The compensation structure for the NEOs consists of three main components: base salary, automobile allowances and expenses and employee stock options.

The rationale for choosing these forms of compensation are as follows:

**Base salary** – currently the officers of RediShred do not have a short term incentive compensation program as RediShred is currently in a net loss position. As a result officers' salaries were set in relation to what they were earning at Professional Shredding Corporation (“PSC”) prior to purchase of PSC by Redishred, or in relation to what they were earning elsewhere in previous positions with similar responsibilities.

**Automobile allowances and expenses** - is a component of the total compensation package of senior management. These individuals are frequently required to travel to and from meetings on a regular basis. Often, officers are required to use their own vehicle and RediShred believes that these individuals should be remunerated accordingly. The Chief Executive Officer's employment contract outlines that all automobile expenses (auto lease, repairs/maintenance, fuel, tolls) are to be paid by RediShred. The Chief Financial Officer and Chief Operating Officer receive a monthly automobile allowance and reimbursement for fuel and toll expenses as per their employment contract.

**Stock options** – are provided to align management's goals with shareholder's return on investment goals. Management has been awarded stock options at an exercise price of 52 cents, which is the same share price that the private placement was conducted at on March 17, 2008. The stock options vest 25% per year over 4 years. The vesting structure is aimed at retaining executive officers over a long term period, and rewarding them for creating shareholder value over the long term.

The CEO of Redishred determines and recommends the base salary, automobile allowances and expenses and stock option grants to NEOs, and these recommendations are subject to the approval of the Compensation Committee. Each NEO has signed an employment contract as of March 17, 2008, the key terms of which are discussed above with respect to the automobile allowance and expenses, and below with respect to the termination and change of control benefits.

With regards to stock option grants, the CEO considers options available under Redishred's stock option plan, the performance of the NEO and the number of options currently held by the NEO in determining additional grants of stock options.

**Summary Compensation Table**

The following table sets forth, for the periods indicated, compensation to each of the Named Executive Officers.

<b>Principal Position and Name</b>	<b>Year</b>	<b>Salary<sup>(1)</sup> (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards<sup>(4)</sup> (\$)</b>	<b>Non-equity Incentive plan compensation (\$)</b>	<b>All other compensation<sup>(2), (3)</sup> (\$)</b>	<b>Total Compensation (\$)</b>
CEO – John C. Prittie	2008	172,500	-	12,800	-	27,903	213,203
CFO – Jeffrey I. Hasham	2008	139,000	-	12,800	-	10,856	162,656
COO – Timothy J. L. Tibbs	2008	139,000	-	12,800	-	12,172	163,972

(1) Includes salary from a predecessor company (Heron Capital Corporation) for the period of January 1, 2008 to March 16, 2008.

(2) Includes auto perquisites (auto lease, repairs/maintenance, insurance and fuel) for CEO.

(3) Includes auto perquisites (auto allowance and fuel) for CFO and COO.

(4) 80,000 Options granted with an exercise price of 52 cents. Options vest as following: 25% March 17, 2009, 25% March 17, 2010, 25% March 17, 2011, 25% March 17, 2012. Options are valued using the Black-Scholes option pricing model, and were valued at 16 cents at the time of grant.

**NEO Outstanding Stock Options**

The following table sets out information with respect to all options of RediShred held and outstanding by the Named Executive Officers on December 31, 2008.

<b>Principal Position and Name</b>	<b>Option-based Awards</b>				<b>Share-based Awards</b>	
	<b>Number of securities underlying unexercised options (#)</b>	<b>Option Exercise Price (\$)</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised-in-the-money options (\$)</b>	<b>Number of shares or units of shares that have not vested (#)</b>	<b>Market or payout value of share-based awards that have not vested (\$)</b>
John Prittie CEO	100,000	0.20	29-Aug-12	16,000	-	-
John Prittie CEO <sup>(1)</sup>	80,000	0.52	17-Mar-13	12,800	80,000	-

Option-based Awards					Share-based Awards	
Principal Position and Name	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised-in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Jeffrey Hasham CFO <sup>(1)</sup>	80,000	0.52	17-Mar-13	12,800	80,000	-
Timothy Tibbs COO <sup>(1)</sup>	80,000	0.52	17-Mar-13	12,800	80,000	-

(1) 80,000 Options granted with an exercise price of 52 cents. Options vest as following: 25% March 17, 2009, 25% March 17, 2010, 25% March 17, 2011, 25% March 17, 2012. Options are valued using the Black-Scholes option pricing model, and were valued at 16 cents at the time of grant.

### **Termination and Change of Control Benefits**

Effective March 17, 2008, employment contracts were entered into with Mr. John Prittie, President and Chief Executive Officer, Mr. Jeffrey Hasham, Chief Financial Officer and Secretary and Mr. Timothy Tibbs, Chief Operating Officer. The employment contracts have termination provisions as follows:

For Mr. John Prittie; in the event of termination of employment without cause by Redishred, Mr. Prittie will be entitled to salary, benefits and a company car for a 14 month period. Termination related payments will be made by Redishred to Mr. Prittie, and will be made twice monthly over the 14 month period. In the event Mr. Prittie obtains alternate full time employment in a comparable position, all termination related payments will cease at the time Mr. Prittie commences his new employment, and a lump sum payment equal to fifty (50%) percent of the salary payments that were remaining to be paid will be paid in full. During the time that termination payments are being made, Mr. Prittie will be subject to a non-competition agreement while termination payments are being made.

For Mr. Jeffrey Hasham; in the event of termination of employment without cause by Redishred, Mr. Hasham will be entitled to salary, benefits and a car allowance for an 8 month period. Termination related payments will be made by Redishred to Mr. Hasham, and will be made twice monthly over the 8 month period. In the event Mr. Hasham obtains alternate full time employment in a comparable position, all termination related payments will cease at the time Mr. Hasham commences his new employment, and a lump sum payment equal to fifty (50%) percent of the salary payments that were remaining to be paid will be paid in full. During the time that termination payments are being made, Mr. Hasham will be subject to a non-competition agreement while termination payments are being made.

For Mr. Timothy Tibbs; in the event of termination of employment without cause by Redishred, Mr. Tibbs will be entitled to salary, benefits and a car allowance for a 14 month period. Termination related payments will be made by Redishred to Mr. Tibbs, and will be made twice monthly over the 14 month period. In the event Mr. Tibbs obtains alternate full time employment in a comparable position, all termination related payments will cease at the time Mr. Tibbs commences his new employment, and a lump sum payment equal to fifty (50%) percent of the salary payments that were remaining to be paid will be paid in full. During the time that termination payments are being made, Mr. Tibbs will be subject to a non-competition agreement while termination payments are being made.

**Director Compensation Table**

The directors are entitled to reimbursement for out-of-pocket expenses for attendances at meetings of the board of directors and committees of the board. During the financial year of RediShred ended December 31, 2008, the directors of RediShred received no monetary compensation for their duties.

<b>Name</b>	<b>Fees Earned</b>	<b>Share-Based Awards</b>	<b>Option-Based Awards</b>	<b>Non-Equity incentive plan compensation</b>	<b>Pension Value</b>	<b>All other compensation</b>	<b>Total</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Robert M. Crozier	-	-	-	-	-	-	-
Brad E. Foster	-	-	-	-	-	-	-
Philip D. Fraser	-	-	-	-	-	-	-
Phillip H. Gaunce	-	-	-	-	-	-	-
Hugh Heron	-	-	-	-	-	-	-
James C. Lawley	-	-	-	-	-	-	-
Mark J. MacMillan <sup>(1)</sup>	-	-	12,800	-	-	-	-
Robert G. Richardson	-	-	-	-	-	-	-

(1) 80,000 Options granted with an exercise price of 52 cents. Options vest as following: 25% March 17, 2009, 25% March 17, 2010, 25% March 17, 2011, 25% March 17, 2012. Options are valued using the Black-Scholes option pricing model, and were valued at 16 cents at the time of grant

**Director Outstanding Stock Options**

<b>Option-based Awards</b>					<b>Share-based Awards</b>	
<b>Principal Position and Name</b>	<b>Number of securities underlying unexercised options</b>	<b>Option Exercise Price</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised-in-the-money options</b>	<b>Number of shares or units of shares that have not vested</b>	<b>Market or payout value of share-based awards that have not vested</b>
	<b>(#)</b>	<b>(\$)</b>		<b>(\$)</b>	<b>(#)</b>	<b>(\$)</b>
Robert M. Crozier	100,000	0.20	29-Aug-12	16,000	-	-
Brad E. Foster	137,500	0.20	29-Aug-12	22,000	-	-
Philip D. Fraser	100,000	0.20	29-Aug-12	16,000	-	-
Phillip H. Gaunce	100,000	0.20	29-Aug-12	16,000	-	-
Hugh Heron	100,000	0.20	29-Aug-12	16,000	-	-

Option-based Awards					Share-based Awards	
Principal Position and Name	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised-in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
James C. Lawley	100,000	0.20	29-Aug-12	16,000	-	-
Mark J. MacMillan	137,500	0.20	29-Aug-12	22,000	-	-
Mark J. MacMillan <sup>(1)</sup>	80,000	0.52	17-Mar-13	12,800	80,000	-
Robert G. Richardson	100,000	0.20	29-Aug-12	16,000	-	-

(1) 80,000 Options granted with an exercise price of 52 cents. Options vest as following: 25% March 17, 2009, 25% March 17, 2010, 25% March 17, 2011, 25% March 17, 2012. Options are valued using the Black-Scholes option pricing model, and were valued at 16 cents at the time of grant.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at April 9, 2009, there were outstanding options to purchase a total of 2,288,462 Common Shares under RediShred's stock option plan. The following table sets out details with respect to all such equity compensation plans:

Plan Category	Number of Securities to be issued upon exercise or grant of outstanding options, units and rights (a)	Weighted average exercise price of outstanding options, warrants, units and rights (b)	Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	2,288,462 common	\$0.330	2,050,849 common
Equity compensation plans not approved by security holders	-	Nil	Nil
<b>Total</b>	2,288,462 common	\$0.330	2,050,849 common

Under the Stock Option Plan, the board of directors of RediShred may from time to time, in its discretion, and in accordance with the TSX Venture Exchange requirements and applicable securities legislation, grant to directors, officers, employees and technical consultants of RediShred, non-transferable options to purchase Common Shares, or such other shares as may be substituted therefore, exercisable for a period of up to five years from the date of grant. The number of Common Shares reserved for issuance under the Stock Option Plan is equal to 10% of the issued and outstanding Common Shares of RediShred, from time-to-time. The aggregate number of Common Shares reserved for issuance to any one individual under the Stock Option Plan may not exceed 5% of the issued and outstanding Common Shares, the

aggregate number of Common Shares reserved for issuance to any one technical consultant under the Stock Option Plan may not exceed 2% of the issued and outstanding Shares and the aggregate number of Common Shares reserved for issuance to all individuals employed to provide investor relations activities under the Stock Option Plan may not exceed 2% of the issued and outstanding Shares. Options must be exercised no later than 90 days (30 days in the case of individuals employed to provide investor relations activities) following cessation of the optionee's position with RediShred, provided that if the cessation of such position was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Options granted under the Stock Option Plan must have an exercise price per Common Share that is greater than or equal to the Discounted Market Price, as defined in the TSX Venture Exchange Corporate Finance Manual, of the Common Shares at the time of the grant.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

RediShred has acquired liability insurance for the directors and officers of RediShred to insure them from claims against them for certain of their acts, errors or omissions as well as insurance for RediShred to insure RediShred against any loss arising out of any liability to indemnify a director or officer. The insurance is in effect until January 17, 2010 at an annual premium of \$8,900 paid by RediShred. The insurance provides coverage of up to \$2,000,000 with a \$15,000 deductible.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No individual who is, or at any time during the most recently completed financial year of RediShred was, a director, executive officer, employee or former director, executive officer or employee of RediShred or any of its subsidiaries, nor any proposed nominee for election as a director of RediShred, nor any associate of any one of them:

- (a) is, or at any time since the beginning of the most recently completed financial year of RediShred has been, indebted to RediShred or any of its subsidiaries; or
- (b) was indebted to another entity, where such indebtedness is, or was at any time during the most recently completed financial year of RediShred, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by RediShred or any of its subsidiaries.

#### **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

None of RediShred's directors or executive officers, proposed nominees for election as directors of RediShred or their associates and affiliates, has any material interest in any transaction with RediShred since the commencement of RediShred's most recently completed financial year or in any proposed transaction except as set out below.

Mark MacMillan is a franchisee of Proshred Franchising Corp., a subsidiary of Professional Shredding Corporation which was acquired by RediShred (see "Information Concerning RediShred – Acquisition of Professional Shredding Corporation").

In addition, the following directors and officers of RediShred had an interest in the acquisition of Professional Shredding Corporation:

- (a) Hugh Heron has a 21% beneficial equity interest and indirectly had a one-third controlling interest in the vendor, Professional Shredding Partnership. In addition, Hugh Heron held the positions with Professional Shredding Partnership and its affiliates (including The Heron Group of Companies) described in his resume under the heading "Particulars of Matters to be Acted Upon at Meeting – Election of Directors".

- (b) John Prittie has an indirect beneficial ownership of approximately 6.9% in Professional Shredding Partnership. In addition, John Prittie held the positions with Professional Shredding Partnership and its affiliates (including Heron Capital Corporation) described in his resume under the heading "Particulars of Matters to be Acted Upon at Meeting – Election of Directors".
- (c) Brad Foster has an indirect beneficial ownership of approximately 4% in Professional Shredding Partnership. In addition, Brad Foster held the positions with Professional Shredding Partnership and its affiliates (including The Heron Group of Companies) described in his resume under the heading "Particulars of Matters to be Acted Upon at Meeting – Election of Directors".
- (d) Jeffrey Hasham, Chief Financial Officer and Secretary of RediShred, was Vice President of Finance at Proshred Franchising Corp.
- (e) Timothy Tibbs, Chief Operating Officer for RediShred, was Executive Vice President Operations for Proshred Franchising Corp. and has been employed in various capacities with affiliates of Professional Shredding Partnership since 1999.

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

No person who is, or at any time during the most recently completed financial year of RediShred was, a director or executive officer of RediShred, nor any proposed nominee for election as a director of RediShred or any of their associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except the interest of certain directors and officers of RediShred, by reason of ownership of stock options, in the matter of approving RediShred's Stock Option Plan.

#### **MANAGEMENT CONTRACTS**

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

#### **PARTICULARS OF MATTERS TO BE ACTED UPON AT MEETING**

##### **Financial Statements**

The audited consolidated financial statements of RediShred for the year ended December 31, 2008 and the auditor's report thereon along with the corresponding management discussion and analysis (the "MD&A") have been approved by the Audit Committee and by the Board. The audited financial statements and the MD&A have been mailed to shareholders along with this Management Information Circular and filed at [www.sedar.com](http://www.sedar.com) and will be tabled before the Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the financial statements. If any Shareholders have questions respecting such financial statements, the questions may be brought forward at the Meeting.

##### **Election of Directors**

The following table sets forth, in respect of each nominee for election as a director, all positions currently held with RediShred, principal occupation or employment within the preceding five years, and the number of voting securities of RediShred beneficially owned, directly or indirectly, or over which voting control is exercised by them. The information contained herein is based upon information furnished by the respective nominee and by RediShred. Directors elected at the Meeting will hold office until the next annual general meeting of Shareholders unless re-elected at the Meeting.

Unless the proxy specifically instructs the proxyholder to withhold such vote, the management representatives designated in the enclosed form of proxy intend to vote FOR the election as directors of

the proposed nominees whose names are set out below. All nominees are now directors and have been directors since the dates indicated below. Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but, if that should occur for any reason before the meeting, the management representatives designated in the enclosed form of proxy will have the right to use their discretion in voting for a properly qualified substitute. Each director elected will hold office until the next annual meeting of the Shareholders or until his successor is elected or appointed.

<b>Name and Municipality of Residence</b>	<b>Position</b>	<b>Principal Occupation and Positions Held<sup>(1)</sup></b>	<b>Director Since</b>	<b>Number of Common Shares<sup>(2)</sup></b>
Robert M. Crozier Halifax, Nova Scotia	Director (Compensation Committee)	Vice President, Atlantic Building Cleaning Limited	October 2006	690,000
Brad E. Foster Pickering, Ontario	Director (Audit Committee)	Principal and Chief Financial Officer, The Heron Group of Companies	June 2007	590,000
Philip D. Fraser Halifax, Nova Scotia	Director (Governance Committee)	President and Chief Executive Officer, Killam Properties Inc	October 2006	695,000
Phillip H. Gaunce Halifax, Nova Scotia	Director (Governance and Audit Committee)	President, Alfred J. Bell & Grant Limited	October 2006	755,000
Hugh Heron Willowdale, Ontario	Director (Compensation Committee)	Principal and President, Heathwood/Heron Homes	March 2008	590,000 <sup>(3)</sup>
James C. Lawley Halifax, Ontario	Director (Compensation Committee)	General Manager, Scotia Fuels Ltd.	October 2006	665,000
Mark J. MacMillan Halifax, Nova Scotia	Director, Executive Vice President of Development	President, MacMillan Holdings Incorporated President, Shredpro US Limited	October 2006	955,000
John C. Prittie Millgrove, Ontario	Director, President & CEO	President and CEO, Heron Capital Corporation, Proshred Franchising Corp. and Professional Shredding Corp.	March 2008	840,000
Robert G. Richardon Halifax, Nova Scotia	Director (Audit Committee)	Executive Vice President and Chief Financial Officer, Killam Properties Inc.	October 2006	705,000

- (1) All of the persons have held these positions for five years other than as described in the résumés that follow.
- (2) The information as to Common Shares includes those beneficially owned, directly or indirectly, and those over which control or direction is exercised. This information, not being with the knowledge of RediShred, has been furnished by the respective proposed directors individually.
- (3) Hugh Heron may also exercise some direction or control over Professional Shredding Partnership which owns 3,269,230 Common Shares.

The following are brief résumés of the proposed directors of RediShred:

*Robert M. Crozier*

Robert M. Crozier is the Vice President Sales for Atlantic Canada for Empire Maintenance Industries of Montreal. Empire is one of Canada's largest commercial cleaning firms. Mr. Crozier has been in the commercial cleaning business in Atlantic Canada since 1981 and was President and partner in Atlantic Building Cleaning from 1994-2005. The firm was sold to Empire in 2005. Mr. Crozier received his Bachelor of Business Administration from Mount Saint Vincent University in 1984. He has been a director of RediShred since its incorporation on October 18, 2006.

*Brad E. Foster*

Brad E. Foster has been Chief Financial Officer of The Heron Group of Companies, a diversified real estate and investment organization, since 2005. Mr. Foster has also been a practicing public accountant since 1997. Mr. Foster obtained his Bachelor of Accounting from Brock University in 1996 and became a chartered accountant in December, 1996. Mr. Foster is the Treasurer of The Mikey Network, a registered Canadian charitable organization. He has been a director of RediShred since June 3, 2007.

*Philip D. Fraser*

Philip D. Fraser has been President, Chief Executive Officer and a Director of Killam Properties Inc. (TSX:KMP) since its inception in May 2000. Killam is one of Canada's largest residential landlords, owning and operating multi-family apartments and manufactured home communities. Mr. Fraser obtained his Master of Business Administration from Saint Mary's University in 1988, his Master of Urban and Rural Planning from Technical University of Nova Scotia (now Dalhousie University) in 1988, and his Bachelor of Commerce from Dalhousie in 1983. Mr. Fraser is a member of the Board of Governors of Saint Mary's University. He has been a director of RediShred since its incorporation on October 18, 2006.

*Phillip H. Gaunce*

Since 1995, Phillip H. Gaunce has been the President of Alfred J. Bell and Grant Limited, a Nova Scotia based insurance brokerage. He is also on the Board of Directors of the Halifax Moosehead Hockey Club Inc. Mr. Gaunce is the past chairman of the professional liability program for the Canadian Institute of Chartered Accountants. Mr. Gaunce was on the Board of Directors (2001 – 2007) of the IWK Health Centre where he was the chair of the audit committee (2005-2007). Mr. Gaunce currently sits on the audit and finance committee for the IWK Foundation. Mr. Gaunce received his Bachelor of Commerce degree from Saint Mary's University in 1984 and his CA designation in 1986. He was also the Chief Financial Officer, Secretary of RediShred since its incorporation on October 18, 2006 until March 26, 2008.

*Hugh Heron*

Hugh Heron is President of Heathwood/Heron Homes, a position he has held since 1979 and was Chairman of the Board of Proshred Franchising Corp. and Professional Shredding Partnership from May 2006 to March 2008. From October 2004 until May 2006, Mr. Heron was Vice Chairman of the Board of Proshred Franchising Corp. and Professional Shredding Partnership. Mr. Heron is also Chairman of The Mikey Network, a registered Canadian charitable organization.

*James C. Lawley*

James C. Lawley has been employed since 1982 by Scotia Fuels Ltd., a residential fuel oil supplier based in Halifax, Nova Scotia, and has held the position of General Manager since 1992. Mr. Lawley is a director of Killam Properties Inc. (TSX:KMP). Mr. Lawley is a real estate developer and co-owns a number of apartment and commercial properties in Halifax, Nova Scotia. Mr. Lawley is also the co-

owner of Camp Bonaventure Ltd., a commercial sporting lodge, since 1984 and is a Director of the Atlantic Salmon Federation. Mr. Lawley obtained his Bachelor of Commerce from Dalhousie University in 1982. He has been a director of RediShred since its incorporation on October 18, 2006.

*Mark J. MacMillan*

Mark J MacMillan is President of Shredco Limited, Shredpro US Limited and MacMillan Holdings Inc. Mr. MacMillan's extensive experience in the document destruction industry began in 1990 when he obtained a franchise to operate a document destruction business in Nova Scotia under the Proshred trademark from a former franchisor. Mr. MacMillan grew this operation into a successful document destruction business in Nova Scotia, prior to selling it in 2004. Previous to selling his Nova Scotia operation, Mr. MacMillan started a Proshred franchise in Tampa, Florida which he currently co-owns. He was the Chief Executive Officer and President of RediShred since its incorporation on October 18, 2006 until March 26, 2008, after which he became the Executive Vice President Acquisitions of RediShred.

*John C. Prittie*

John Prittie became the President and Chief Executive Officer of Redishred on March 26, 2008. Prior to this, he was President of Proshred Franchising Corp. and of Professional Shredding Partnership since September 2004. Since July 1997, he has been President and Chief Executive Officer of Heron Capital Corporation and since November 2004 he has been President of PMP Corporation and TMT Franchising Corp., another franchising business which is controlled by Heron Capital Corporation. Mr. Prittie served as Director of Mini-Tankers USA, Inc. from June 1999 to January 2003, and as President of Mini-Tankers USA, Inc. from June 1999 to June 2003. He was Vice President of Franchise Development for Shred-it from April 1993 to May 1997. Mr. Prittie obtained his Master of Business Administration from University of Windsor in 1980.

*Robert G. Richardson*

Robert G. Richardson, FCA has been Executive Vice President, Chief Financial Officer and a Director of Killam Properties Inc. (TSX:KMP) since its inception in May, 2000. Killam is one of Canada's largest residential landlords, owning and operating multi-family apartments and manufactured communities. Mr. Richardson is also the President of Compass Commercial Realty Limited, a third-party property management managing urban office properties in Atlantic Canada and Ontario. Mr. Richardson currently serves on the Board of Directors for YMCA of Greater Halifax/Dartmouth. Mr. Richardson obtained his Chartered Accountant designation in 1986 (FCA 2006) and received his Bachelor of Commerce degree from Dalhousie in 1984. He has been a director of RediShred since its incorporation on October 18, 2006.

As a group the proposed directors beneficially own, or control or direct, directly or indirectly 9,754,230 Common Shares of RediShred, which represents approximately 42.6% of the issued and outstanding Common Shares of RediShred.

No nominee is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including a personal holding company), that:

- (a) was subject to an order (as defined in Form 51-102 F5 of National Instrument 51-102 – *Continuous Disclosure Obligations*) that was issued while the trustee or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order (as defined in Form 51-102 F5 of National Instrument 51-102 – *Continuous Disclosure Obligations*) that was issued after the trustee or executive officer ceased

to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No nominee is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director or executive officer of any company (including a personal holding company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except Jeffrey Hasham who acted as the Chief Financial Officer of MTUSA from 2002 to 2004, during which time, MUTSA filed a voluntary petition on October 6, 2003 pursuant to Chapter 11 of the United States Bankruptcy Code. On November 5, 2004, the bankruptcy court approved the debtor's plan of liquidation (U.S. Bankruptcy Court for the Western District of Washington, Case No. 03-22887-TTG).

No nominee has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the trustee, executive officer or shareholder.

No nominee has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

At the Meeting, Shareholders will be asked to vote on the following resolution, with or without variation:

*Be it resolved that:*

*Robert M. Crozier, Brad E. Foster, Philip D. Fraser, Phillip H. Gaunce, Hugh Heron, James C. Lawley, Mark J. MacMillan, John C. Prittie and Robert G. Richardson, be elected as Directors of RediShred to hold office until the close of next annual meeting of Shareholders following this Meeting.*

**Unless otherwise instructed, management representatives designated in the enclosed form of proxy intend to vote in favour of the appointment of the above as directors of RediShred. The affirmative vote of more than 50% of the votes cast by Shareholders present in person or by proxy are required to approve this resolution.**

#### **Appointment of Auditors**

The Audit Committee has reviewed the independence and performance of PricewaterhouseCoopers LLP as auditor of RediShred. Based on this review, it is recommended to the board of directors that they be re-appointed, subject to Shareholder approval.

At the Meeting, Shareholders will be asked to vote on the following resolution, with or without variation:

*Be it resolved that the firm of PricewaterhouseCoopers LLP, Chartered Accountants, of Halifax, Nova Scotia, be re-appointed as the auditors of RediShred, to hold office until the close of the next annual meeting of Shareholders and the board of directors is authorized to fix the auditor's remuneration.*

**Unless otherwise instructed, management representatives designated in the enclosed form of proxy intend to vote in favour of the appointment of PricewaterhouseCoopers LLP as auditor of**

**RediShred. The affirmative vote of more than 50% of the votes cast by Shareholders present in person or by proxy are required to approve this resolution.**

**Approval of Stock Option Plan**

In accordance with the rules of the TSX Venture Exchange, RediShred's Stock Option Plan must receive Shareholder approval on a yearly basis so long as it is a "rolling" stock option plan whereby a percentage of the issued shares from time to time are reserved for issuance under the plan, as opposed to a fixed maximum number. Reference is made to the heading "Securities Authorized for Issuance Under Equity Compensation Plans" contained in this Management Information Circular for details relating to RediShred's Stock Option Plan.

At the Meeting, Shareholders will be asked to vote on the following resolution, with or without variation:

*Be it resolved that RediShred's Stock Option Plan be and is hereby confirmed and approved.*

**Unless otherwise instructed, management representatives designated in the enclosed form of proxy intend to vote in favour of the approval of the Stock Option Plan. The affirmative vote of more than 50% of the votes cast by Shareholders present in person or by proxy are required to approve this resolution.**

**AUDIT COMMITTEE INFORMATION**

***Charter***

RediShred's Audit Committee charter sets out the Committee's purpose, composition, duties and responsibilities. A copy of the charter is included in Appendix "A".

***Composition***

The Audit Committee is currently comprised of Brad Foster, Phillip Gaunce and Robert Richardson (*Chair*). All are financially literate and all are independent in accordance with the Audit Committee charter and Multilateral Instrument 52-110 ("MI 52-110"), except that Phillip Gaunce was Chief Financial Officer of RediShred from incorporation until March 26, 2008.

***Relevant Education and Experience***

**Brad Foster**

Mr. Foster obtained his Bachelor of Accounting from Brock University in 1996 and became a chartered accountant in December, 1996.

**Philip Gaunce**

Mr. Gaunce received his Bachelor of Commerce degree from Saints Mary's University in 1984 and his CA designation in 1986. Mr. Gaunce sits on the Board of Directors of the IWK Health Centre where he is chair of the audit committee.

**Robert Richardson**

Mr. Richardson obtained his Chartered Accountant designation in 1986 (FCA 2006) and received his Bachelor of Commerce degree from Dalhousie in 1984. He has been Executive Vice President, Chief Financial Officer and a Director of Killam Properties Inc. (TSX:KMP) since its inception in May, 2000.

**External Auditors Fees**

The following outlines the fee's billed/budgeted by PricewaterhouseCoopers LLP, RediShred's current auditors, for the last two fiscal years.

<b>Fees</b>	<b>2008</b>	<b>2007</b>
Audit Fees	\$ 49,000	\$ 22,000
Audit-Related Fees	\$ 11,375	\$ 1,895
Tax & Consulting Fees	\$ 19,900	\$ -
<b>Total:</b>	<b>\$ 80,275</b>	<b>\$ 23,895</b>

Audit-related Fees represent services provided by PricewaterhouseCoopers LLP relating to RediShred's Filing Statement, audit engagements relating to the consolidated financial statements for Redishred Capital Corp. and its subsidiary Proshred Franchising Corp. Tax & Consulting fees are related to taxation work conducted by PricewaterhouseCoopers LLP, relating to the completion of tax returns and taxation planning. The Other Fees represent services provided by SB Partners LLP relating to the valuation of Redishred Capital Corp. and its subsidiaries.

**STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The following disclosure of RediShred's corporate governance practices is presented pursuant to the requirements of National Instrument 58-101F2 – Corporate Governance Disclosure (Venture Issuer)

***Independence***

It has been determined that all of the directors of RediShred, with the exception of Mark MacMillan and John Prittie are independent directors. John Prittie is not considered independent based on his position as President and CEO of RediShred. Mark MacMillan is not considered independent based on his position as Executive Vice President Acquisitions of RediShred, as well as being a franchisee of RediShred's operating subsidiary.

***Outside Directorships***

The following directors of RediShred are also directors of other reporting issuers:

<b><u>Director</u></b>	<b><u>Reporting Issuer</u></b>
Philip D. Fraser	Killam Properties Inc.
James C. Lawley	Killam Properties Inc.
Robert G. Richardson	Killam Properties Inc.

***Orientation of Directors***

The Corporate Governance Committee will be assuming the task of orientation for new directors, which includes a review of the Directors' manual, an introduction to all directors and officers of RediShred and an overview of the business of RediShred and its strategy provided by the President and CEO.

***Ethical Business Conduct***

The Board of Directors has reviewed and approved RediShred's "*Disclosure and Insider Trading Policy*".

***Nomination of Directors***

New candidates for the Board of Directors are proposed and reviewed by the President and CEO, who will make a recommendation to the Board of Directors.

***Compensation***

It is the responsibility of the Compensation Committee to establish and review the compensation of the President and CEO as well as to determine what compensation, if any, will be given to the Board of Directors.

***Other Board Committees***

There are no standing committees other than the Audit, Corporate Governance and Compensation committees.

***Board Self-Assessment***

The Corporate Governance Committee will be charged with establishing a process to review the Board, its committees, and individual directors to ensure their effectiveness to RediShred and its objectives.

**ADDITIONAL INFORMATION**

Additional information relating to RediShred is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in RediShred's comparative financial statements and management discussion and analysis for its most recently completed financial year. To request copies of RediShred's financial statements and management discussion and analysis, Shareholders should contact RediShred Capital Corp., Suite 100, 245 Yorkland Blvd., Toronto, Ontario, M2J 4W9, Telephone (416) 490-8600.

**BOARD APPROVAL**

The contents and the sending of this Information Circular have been approved by the board of directors of RediShred.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Jeffrey Hasham*"

Jeffrey Hasham  
Chief Financial Officer and Secretary  
April 14, 2009

## **APPENDIX "A" – AUDIT COMMITTEE CHARTER**

### **REDISHRED CAPITAL CORP.**

### **AUDIT COMMITTEE CHARTER**

#### **PURPOSE**

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. The committee will also be responsible for identifying principal risks of the business and ensuring appropriate risk management techniques are in place.

The Audit Committee charges management with developing and implementing procedures to:

- ensure internal controls are appropriately designed, implemented and monitored
- ensure reporting and disclosure of required information is complete, accurate, and timely.

The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the committee's responsibilities as described in the mandate.

#### **COMPOSITION OF COMMITTEE**

The committee will be composed of a minimum of three Directors from the Corporation's Board of Directors, with a majority of the members who are not employees, officers or control persons, as required by the rules of the TSX-V.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member to the committee is not financially literate as required, the person will be provided a three month period in which to achieve the desired level of literacy.

#### **AUTHORITY**

The Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Committee will set the compensation for such advisors.

The Committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the Audit Committee.

#### **RESPONSIBILITIES**

1. The Audit Committee will recommend to the Board of Directors:
  - the external auditor to be nominated for purposes of preparing or issuing the auditor's report or performing other audit, review or attest services for the Corporation

- the compensation of the external auditor
2. The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing the Auditor's Report or performing other review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. The Audit Committee will also ensure that the external auditor is in good standing with the Canadian Public Accountability Board ("CPAB") and will enquire if there are any sanctions imposed by the CPAB on the external auditor. The Audit Committee will also ensure that the external auditor meets the rotation requirements for partners and staff on the Corporation's audit.
  3. The Audit Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor. The Audit Committee has delegated to the Chair of the committee the authority to pre-approve non-audit services up to an amount of \$5,000, with such pre-approved services presented to the Audit Committee at the next scheduled Audit Committee meeting following such pre-approval.

De *minimis* non-audit services satisfy the pre-approval requirement provided:

- the aggregate amount of all these non-audit services that were not pre-approved is reasonably expected to constitute no more than five percent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditors during the fiscal year in which the services are provided;
  - the Corporation or subsidiaries, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
  - the services are promptly brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by the Chair of the Audit Committee, who has been granted authority to pre-approve non-audit engagements.
4. The Audit Committee will review and discuss with management and the external auditors the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditors' written communications to the Committee and to management.
  5. The Audit Committee reviews the Corporation's financial statements, management discussion and analysis, as well as annual and interim earnings press releases and recommends such to the Board, prior to public disclosure of such information.
  6. The Audit Committee ensures that adequate procedures are in place for the review of financial information extracted or derived from the Corporation's financial statements, contained in the Corporation's other public disclosures and must periodically assesses the adequacy of those procedures.
  7. The Audit Committee establishes procedures for:
    - the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
    - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

8. The Audit Committee reviews and approves the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.
9. The Audit Committee will, with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with Multilateral Instrument 52-109.
10. The Audit Committee will undertake a process to identify the principal risks of the business and ensure appropriate risk management techniques are in place. This will involve enquiry of management regarding how risks are managed.

## **REPORTING**

The reporting obligations of the Committee will include:

- Report to the Board on the proceedings of each Audit Committee meeting and on the Audit Committee's recommendations at the next regularly scheduled Board meeting.
- Review the disclosure required in the Corporation's Management Information Circular as required by Form 52-110F2.

## **MEETINGS**

The Committee will meet at least four times per year and at least once every fiscal quarter. Meetings may also be convened at the request of the external auditor.