Kinaxis Inc.
Annual Information Form

March 26, 2018

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EXPLANATORY NOTES

Unless otherwise noted or the context otherwise indicates, "**Kinaxis**", "**we**", "**us**", "**our**" and the "**Company**" refers to Kinaxis Inc. and its subsidiaries as constituted on December 31, 2017. This Annual Information Form (this "**Annual Information Form**") is dated March 26, 2018, which is the date it was approved by the Company's Board of Directors, and, unless specifically stated otherwise, all information disclosed in this Annual Information Form is provided as at December 31, 2017, the end of Kinaxis' most recently completed fiscal year.

Presentation of Financial Information and Other Information

We present our consolidated financial statements in U.S. dollars. In this Annual Information Form, all references to "$", "US$", or "dollars" are to United States dollars and references to "Cdn$" are references to Canadian dollars. Amounts are stated in U.S. dollars unless otherwise indicated.

Trade-marks, Trade Names and Service Marks

This Annual Information Form includes trade-marks, such as "Kinaxis" and "RapidResponse", which are protected under applicable intellectual property laws and are the property of Kinaxis. Solely for convenience, our trade-marks and trade names referred to in this Annual Information Form may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trade-marks and trade names. Trade-marks used in this Annual Information Form, other than those that belong to Kinaxis, are the property of their respective owners.

Market and Industry Data

Unless otherwise indicated, information contained in this Annual Information Form concerning our industry and the markets in which we operate, including our general expectations and market position, is based on information from independent industry organizations, such as Gartner, Inc. ("**Gartner**"), other third party sources (including industry publications, surveys and forecasts), and management studies and estimates. This Annual Information Form makes reference to the following two reports published by Gartner[1]: (1) *Magic Quadrant for Sales and Operations Planning Systems of Differentiation*, Payne, T.; 01 May 2017 (the "**Gartner May 2017 Report**"); and (2) *Magic Quadrant for Supply Chain Planning System of Record*, Payne, T.; 19 January 2016, T. Salley, A (the "**Gartner January 2016 Report**"). These two Gartner reports represent data, research, opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, and are not representations of fact. These reports speak as of their original publication date (and not as of the date of this Annual Information Form) and the opinions expressed in these reports are subject to change without notice.

While we believe the market position, market opportunity and market share information included in this Annual Information Form is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of our future performance and the future performance of the industry and markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings "*Forward-Looking Statements*" and "*Risk Factors*".

Exchange Rate Data

We disclose certain financial information contained in this Annual Information Form in U.S. dollars. The following table sets forth, for the periods indicated, the high, low, and average rates of exchange for one U.S. dollar, expressed in Canadian dollars, reported by the Bank of Canada at www.bankofcanada.ca during the respective periods.

	High (Cdn$)	Low (Cdn$)	Average (Cdn$)
Fiscal Years Ended			
December 31, 2017	1.3667	1.3004	1.3286
December 31, 2016	1.4589	1.2544	1.3248

[1] Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements that relate to our current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Forward-looking statements are intended to assist readers in understanding management's expectations as of the date of this Annual Information Form and may not be suitable for other purposes. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- our expectations regarding our revenue, expenses and operations;
- our anticipated cash needs;
- our ability to protect, maintain and enforce our intellectual property rights;
- third party claims of infringement or violation of, or other conflicts with, intellectual property rights by us;
- our plans for and timing of expansion of our solutions and services;
- our future growth plans;
- the acceptance by our customers and the marketplace of new technologies and solutions;
- our ability to attract new customers and develop and maintain existing customers;
- our ability to attract and retain personnel;
- our expectations with respect to advancement in our technologies;
- our competitive position and our expectations regarding competition;
- regulatory developments and the regulatory environments in which we operate; and
- anticipated trends and challenges in our business and the markets in which we operate.

Forward-looking statements are based on certain assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments and other factors we believe are appropriate. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Forward-looking statements are also subject to risks and uncertainties. In light of these risks, uncertainties and assumptions, readers should not place undue reliance on forward-looking statements. Whether actual results, performance or achievements will conform to our expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors which include:

- risks related to managing our growth;
- our dependence on customer retention and renewals;
- our long sales cycles;
- our reliance on recurring revenue;
- fluctuations in quarterly operating results;
- exchange rate fluctuations;
- risks related to expanding our marketing and sales;
- risks related to our ability to maintain the compatibility of our solutions with third party applications;
- risks related to our ability to adapt to rapid technological change;
- risks related to our ability to meet out contractual commitments;
- risks related to global economic conditions;
- risks related to the security of customer information;
- risks related to the protection of our intellectual property;
- risks related to the complexity of our solutions;
- competition in our industry and markets;
- our reliance on key personnel;
- risks related to our ability to continue to develop our direct sales force;
- our reliance on third party service providers;
- the possibility of product defects; and
- risks related to international expansion.

These risks are described in further detail in the section entitled "*Risk Factors*" in this Annual Information Form. Although the forward-looking statements contained in this Annual Information Form are based upon assumptions management believes to be reasonable, these risks, uncertainties, assumptions and other factors could cause our actual results, performance, achievements and experience to differ materially from our expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

The forward-looking statements made in this Annual Information Form relate only to events or information as of the date on which the statements are made in this Annual Information Form and are expressly qualified in their entirety by this cautionary statement. Except as required by law, we do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

All of the forward-looking statements in this Annual Information Form are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Kinaxis.

CORPORATE STRUCTURE

Name, Address and Formation

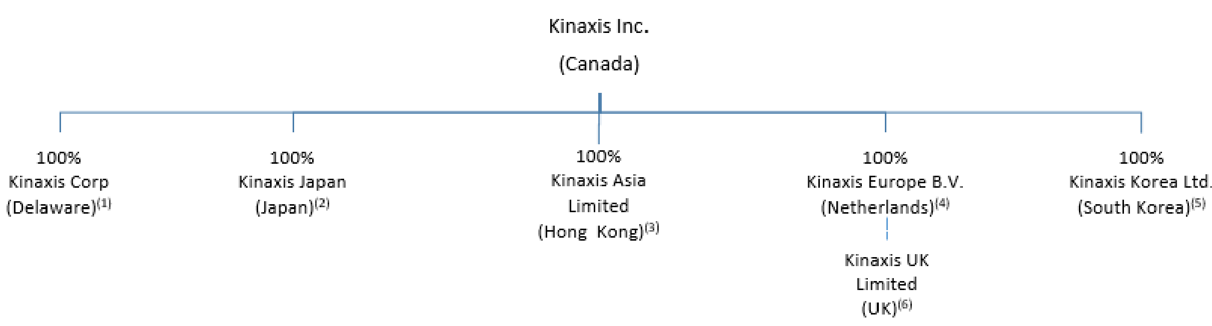
We were originally incorporated as Cadence Computer Corporation under the *Canada Business Corporations Act* (the "**CBCA**") on June 29, 1984. In 2001, we were continued under the *Business Corporations Act* (New Brunswick). We were continued back under the CBCA on July 24, 2012. Since 1984, we have had a series of changes to our corporate name, from Cadence Computer Corporation, to Carp Systems International, to Enterprise Planning Systems Inc., to webPLAN Inc. Our corporate name was changed in 2005 to Kinaxis Inc.

Our principal business office and registered office is located at 700 Silver Seven Road, Ottawa, Ontario, Canada K2V 1C3.

Our common shares are posted and listed for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "KXS".

Intercorporate Relationship

As of the date of this Annual Information Form, we have the following subsidiaries:



(1) Kinaxis Corp. is a wholly-owned subsidiary incorporated under the laws of Delaware and operates as our sales and services center in the United States.

(2) Kinaxis Japan K.K. is a wholly-owned subsidiary incorporated under the laws of Japan and operates as our sales and services center in Japan.

(3) Kinaxis Asia Limited is a wholly-owned subsidiary incorporated under the laws of Hong Kong and operates as our services center in Asia.

(4) Kinaxis Europe B.V. is a wholly-owned subsidiary incorporated under the laws of the Netherlands and operates as our sales and services center in Europe.

(5) Kinaxis Korea Ltd. is a wholly-owned subsidiary incorporated under the laws of South Korea and operates as our sales and services center in South Korea.

(6) Kinaxis UK Limited is a subsidiary of Kinaxis Europe B.V. and is incorporated under the laws of the United Kingdom. Kinaxis UK Limited operates as our sales and service center in the United Kingdom.

OUR BUSINESS

Overview

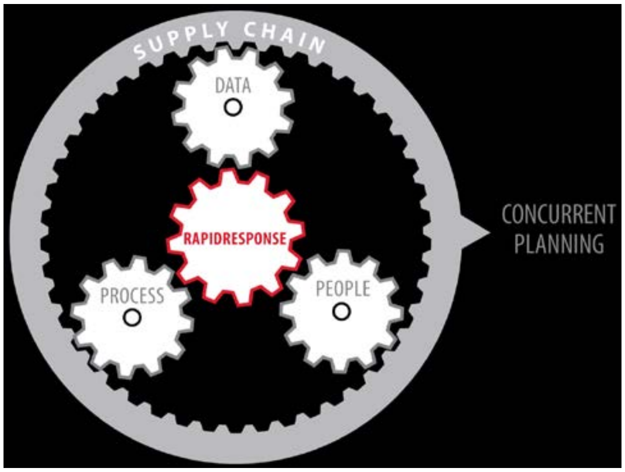
We are a leading provider of cloud-based subscription software that enables our customers to improve and accelerate analysis and decision-making across their supply chain operations. The supply chain planning and analytics capabilities of our product, RapidResponse®, create the foundation for managing multiple, interconnected supply chain management ("**SCM**") processes.

Our business was founded on the premise that supply chains have grown so large and complex, and move so quickly, that it is virtually impossible for large enterprises to make supply chain decisions quickly. Organizations operate in functional silos with disconnected data, processes and people resulting in decision latency.

At Kinaxis, we revolutionize planning with our unique ability to enable our customers to plan concurrently. Concurrent planning collapses decision cycle times by connecting a broad array of supply chain business problems within a single product. The data, processes and people are connected into a single contiguous whole. With this consolidated view of the entire supply chain, customers can plan their expected performance, monitor progress against the plan, and respond to disconnects in their plan when reality hits.

By using RapidResponse instead of combining individual disparate products, our customers can expect greatly reduced decision latency, leading to improved operational and financial performance, such as lower working capital, increased asset efficiency, improved customer service, and increased profitability.

RapidResponse Connects the Enterprise



In 2005, we moved from a perpetual license to a subscription-based business model and enabled RapidResponse to be offered as a cloud-based service. By leveraging our cloud capabilities, RapidResponse applications can usually be deployed in as few as four to six months. This creates an attractive alternative to the risk and upfront cost typically associated with supply chain software deployments by enterprise resource planning providers. For our customers, we believe that RapidResponse's ease of use and ability to expand business applications over time translates into a loyal user base, ongoing penetration within the customer's organization and increasing business value over time.

We sell our product in North America, Western Europe and Asia through our direct sales channels and globally through relationships with partners and resellers. We focus on large, global enterprises operating in a broad range of key industries characterized by complex SCM networks including high technology and electronics manufacturing, aerospace and defense, industrial products, life sciences and pharmaceuticals, automotive, and consumer packaged goods.

Revenue from subscriptions for our software and software-related support services for the years ended December 31, 2017 and December 31, 2016 represented 76% and 71% of our total consolidated revenue respectively in those fiscal years. Professional services revenue for the years ended December 31, 2017 and December 31, 2016 represented 24% and 29% of total revenue respectively in those fiscal years.

Three Year Business Development History

On May 6, 2015, we announced that Gartner published a Magic Quadrant for Sales and Operations Planning Systems of Differentiation. (Source: Gartner April 2015 Report.) Kinaxis was positioned in the Leaders Quadrant.[1]

On May 22, 2015, we announced that we had been selected as one of the 2015 "100 Great Supply Chain Projects" by Supply & Demand Chain Executive. This award recognizes solution or services providers who demonstrate leadership in assisting customers to achieve supply chain excellence.

On June 9, 2015, we announced the appointment of Sarah Sedgman to the position of Chief Knowledge Officer. Mrs. Sedgman is responsible for our education programs.

On July 8, 2015, we announced that we had been named a 'Great Supply Chain Partner' by SupplyChainBrain, making the list of top 100 partners for 2015. The list of "100 Great Supply Chain Partners" features a select group of companies whose customers recognized them as providers of outstanding solutions and services.

On August 14, 2015, HarbourVest Partners, LLC ("**HarbourVest**") announced that 1,862,647 of our common shares were distributed by TechnoCap to HV VII, a ''fund-of-funds'' that is controlled by HarbourVest. The common shares were distributed to HV VII in connection with the wind-up and distribution of assets of TechnoCap to its general partner and limited partners in accordance with the terms of its limited partnership agreement (the "**Distribution**"). Following the Distribution, HV VII owned approximately 7.8% of the issued and outstanding Common Shares. Prior to Distribution, HV VII did not own any securities of Kinaxis.

On October 14, 2015, we announced an engagement with Accenture where Accenture will provide product development and product training services and together we will develop differentiated supply chain solutions designed to meet enterprise end-customer supply chain solutions.

On October 28, 2015, we announced that John Sicard would succeed Douglas Colbeth as our next Chief Executive Officer on January 1, 2016 and that Mr. Colbeth would continue to serve as Chairman of the Board.

On December 15, 2015, we announced that we had been added to the S&P/TSX Composite Index as part of S&P Dow Jones Canadian Index Services' quarterly review.

On January 6, 2016, we announced that Angel Mendez joined the Board of Directors, offering extensive experience in SCM acquired from various roles with some of the world's largest organizations.

On January 7, 2016, we announced the appointment of Jack Noppé to the position of Chief Technology Officer. Mr. Noppé is responsible to drive the product roadmap to meet the changing business needs and priorities of customers. We also announced expanded responsibilities for Mr. Ed Shepherdson. Already accountable for customer success, Mr. Shepherdson was also responsible for product and solution development in his expanded role as Executive Vice President of Products and Services Operations.

On January 13, 2016, we announced the launch of our new certification program which will be used to expand knowledge services initiatives to validate the depth, consistency and quality of RapidResponse product knowledge and expertise.

On January 25, 2016, we announced that Gartner published a Magic Quadrant for Supply Chain Planning System of Record report. (Source: Gartner January 2016 Report.) Kinaxis was positioned in the Leaders Quadrant.

On January 29, 2016, we announced that we had been named the 2015 TSX Tech Stock of the Year by Cantech Letter. The Canadian technology magazine also recognized Doug Colbeth, Chairman of our Board of Directors, as the TSX

Tech Executive of the Year. The 2015 TSX Tech Stock of the Year is awarded to the company that more than two dozen industry research analysts determined had the strongest performance over the past year. It is based on results of an anonymous poll conducted by Cantech Letter.

On February 4, 2016, we announced that we had been selected by the editors of Canada's Top 100 Employers as a National Capital Region Top Employer. The award is given to companies that offer the most progressive programs using criteria such as a strong social atmosphere, ongoing skills development, and community involvement, among others.

On February 19, 2016, we announced that Dominic Thomas, Vice President of Business Consulting of Kinaxis, had been selected by Supply & Demand Chain Executive magazine as a 2016 Provider 'Pro to Know'.

On March 29, 2016, we announced that we had once again been named one of Canada's Top Small & Medium Employers. First created in 2014 by the editorial team at Canada's Top 100 Employers, we have won the national honor every year since its inception.

On April 13, 2016, we announced the launch of the Autism at Work program, an initiative designed to leverage the unique talents of individuals on the autism spectrum and provide meaningful, sustained employment to this under-utilized talent pool. We established a goal to have 1% of our workforce comprised of people under the autism spectrum.

On May 3, 2016, we announced an alliance with Deloitte Consulting LLP in the U.S. to develop supply chain solutions designed to improve the end-to-end supply chain for large enterprises.

On June 28, 2016, we announced that we had been selected as one of the 2016 "100 Great Supply Chain Projects" by Supply & Demand Chain Executive. The award spotlights successful and innovative transformation projects that deliver bottom-line value to enterprises across supply chain functions.

On July 11, 2016, we announced the release of RapidResponse 2016.2, which delivers new levels of performance and innovative capabilities to serve our enterprise customers. Kinaxis RapidResponse uses in-memory technology to deliver the underlying visibility and simulation capabilities essential to drive concurrent, collaborative planning to make demand and supply balancing decisions across an enterprise.

On July 13, 2016, we announced that we had been named a 'Great Supply Chain Partner' by SupplyChainBrain, making the list of top 100 partners for 2016.

On July 26, 2016, we announced that we had been selected by Samsung Electronics as its supply chain solution.

On August 3, 2016, we announced that Ms. Jill Denham had been appointed to the Board of Directors. With over 20 years' experience in financial services, Ms. Denham brings a diverse skillset and strong business acumen to the Company.

On December 22, 2016, we announced that Mr. Robert Courteau had been appointed to the Board of Directors. Mr. Courteau brings more than 25 years of experience as a senior executive with some of the world's foremost companies.

On February 9, 2017, we announced an alliance with Bain & Company, one of the world's leading management consulting firms. This partnership extends the value that Bain & Company brings to its clients by leveraging the power of RapidResponse during supply chain diagnostics engagement.

On February 21, 2017, we announced that AMD had selected Kinaxis RapidResponse to plan concurrently across functions and time periods for end-to-end visibility across the entire supply chain.

On February 23, 2017, we announced that Waterstone Human Capital had named Kinaxis one of Canada's 10 Most Admired Corporate Cultures of 2016 in the Mid-Market category.

On March 2, 2017, we announced that Dr. Madhav Durbha, Vice President of Industry Strategy at Kinaxis, had been selected by Supply and Demand Chain Executive magazine as a 2017 Provider 'Pro to Know'.

On March 07, 2017, we announced sponsorship of 'Random Hacks of Kindness' Random Hacks of Kindness, a hackathon for social good that brings together volunteer developers and tech-savvy do-gooders to work with charities, community groups and social enterprises.

On April 25, 2017, we announced that we were named one of Canada's best small & medium employers for 2017 by Mediacorp Canada Inc.

On May 04, 2017, we announced that Kinaxis was positioned in the Leaders Quadrant of Gartner's Magic Quadrant for Sales and Operations Planning Systems of Differentiation for the second consecutive time (Source: Gartner May 2017 Report).

On May 25, 2017, we announced details of a strengthened strategic partnership between Kinaxis and Barkawi to deliver new joint supply chain solutions.

On June 19, 2017, we announced RapidResponse had been selected to provide concurrent planning across all functions and time periods, creating end-to-end visibility across the entire supply chain of Santen, a leading life sciences company.

On June 20, 2017, we announced the appointment of Sarah Sedgman as Chief Customer Officer to lead both Kinaxis and partner efforts to deliver long-term, continuous value to customers.

On June 28, 2017, we announced RapidResponse, would be deployed to revolutionize Sales and Operations Planning for Nissan Motor Co., a leading automotive manufacturer.

On August 15, 2017, we announced new data integration capabilities for RapidResponse to help simplify and accelerate time to value for supply chain planning by seamlessly bringing data from diverse sources together to quickly gain end-to-end visibility and insight into supply chains.

On October 04, 2017, we announced that Paul Carreiro had joined Kinaxis as Chief Revenue Officer with a mandate to further drive sustained and global high revenue growth for the company.

On October 18, 2017, we announced details of a strategic partnership between Kinaxis and mSE Solutions to help customers realize end-to-end supply chain optimization.

On October 25, 2017, we announced Kinaxis CEO John Sicard won twice at the EY Entrepreneur Of The Year Awards, taking home both the Enterprise Technology and overall EY Entrepreneur of The Year 2017 Ontario awards.

On November 09, 2017, we announced Kinaxis was recognized with the Deloitte Technology Fast 50™ Leadership Award.

On December 05, 2017, we announced our new Partner Enablement Program, introducing a framework to provide dedicated support, training, certification and solutions development to optimize solution delivery for partner customers.

On January 23, 2018, we announced that multinational automotive manufacturer Toyota Motor Corporation had selected Kinaxis® to manage its automotive demand and supply chain processes.

On February 22, 2018, we announced that Kinaxis was named as a leader among 13 vendors by Nucleus Research in its Control Tower Value Matrix.

On March 15, 2018, we announced that Power Integrations, a leading semiconductor technical innovator, selected Kinaxis to deploy its concurrent planning platform for global supply chain management.

On March 22, 2018, we announced that Jay Muelhoefer had joined Kinaxis as Chief Marketing Officer with a mandate to define and implement global marketing strategy.

Product Capabilities and Applications

With a single data model and analytics engine, RapidResponse offers an array of supply chain applications all easily accessible through a common user interface. Using our single cloud-based product, instead of individual disparate software solutions, our customers gain end-to-end supply chain visibility and the agility to respond quickly to changing conditions. The result is significant operating and cost efficiencies. RapidResponse applications can be deployed individually or together and are designed to be highly configurable, so that our customers can easily adapt the applications to meet their company's unique business needs without the heavy burden of ongoing custom coding. Applications include:

Sales and Operations Planning: The sales and operations planning ("**S&OP**") process is a high-priority function for most supply chain organizations. It is the means by which multiple groups across the organization gain consensus on predicted demand for a discrete planning horizon (usually six to twenty-four months) and develop a corresponding supply plan to satisfy revenue and margin goals. RapidResponse facilitates mature and comprehensive S&OP that achieves broader goals and fills the critical capability gaps that are currently found in most S&OP processes.

Order Fulfillment: As new orders are received or changed, customers use RapidResponse to analyze fulfillment options in order to make accurate delivery commitments to their customers.

Inventory Management: Effective inventory management ensures there is enough supply available to cover variations in demand and supply availability, while minimizing the expense of that supply. RapidResponse helps customers effectively and continuously align their inventory levels and budgets with their organization's financial business plans.

Inventory Planning and Optimization: The objective of effective inventory planning is to calculate, establish and maintain a minimum acceptable level of inventory and to eliminate any inventory (and associated costs) not required to achieve target customer service levels. RapidResponse addresses this objective by allowing customers to account for multiple variables in inventory planning calculations, including demand variability, supply lead-time and desired customer service levels.

Master Production Scheduling: RapidResponse helps production schedulers align supply to stated demand on a weekly, daily and near real-time basis.

Supply Action Management: Enterprises performing material resource planning can be faced with countless exceptions to the plan and new issues. Planners often have difficulty knowing where to begin and what actions will have the most impact. RapidResponse can help prioritize supply actions and evaluate options to resolving issues.

Demand Planning: Demand planning involves generating a forecast of demand. RapidResponse combines an unbiased statistical forecast with other forecasts contributed by the sales, marketing, and finance teams, and evaluates and adjusts it to form a final consensus demand forecast.

Aggregate Supply Management: RapidResponse helps customers effectively align finished goods supply to projected mid-to-long term demand.

Distribution Requirements Planning: Distribution Requirements Planning (DRP) accurately plans the replenishment of inventory for the purposes of distribution at the detailed part level to immediately evaluate trade-offs between customer satisfaction and costs.

Capacity Planning Constraints: RapidResponse enables customers to effectively generate a realistic supply plan that considers various types of capacity limitations.

Capacity Requirements Planning: RapidResponse calculates in detail the amount of labour and machine resources needed to achieve a production plan.

Engineering Change Management: An engineering change can pose disruption and risk to the business if it is not properly planned or implemented. RapidResponse enables enterprises to simulate options and predict the impact of a pending change.

Supplier Collaboration: In order to be effective, supplier collaboration should reach beyond the simple exchange of data. RapidResponse can enable key suppliers to actively review information and directly contribute to the decision-making process so that participants can exchange early warnings and collaboratively resolve supply chain risk issues.

Integrated Project Management: Project management and supply chain planning are often run through independent systems. As a result, decisions can be made without understanding their implications. Material and resource volatility drives the need for integration between project management and supply chain operations.

Knowledge Services & Customer Support Services

Our Knowledge Services & Customer Support Services teams accelerate customer value & adoption of RapidResponse.

Knowledge Services empowers Kinaxis customers, partners and employees with the knowledge, skills and confidence to drive RapidResponse and supply chain management excellence.

Leveraging the intellectual property and domain expertise of the Company, Kinaxis is focused on building Centers of Excellence and skilled business users. Our learning programs are designed to provide a continuous path to competency with a variety of options, including instructor-led courses, self-paced learning, and expansive subscriptions, all of which include access to experts and knowledge testing. To complete the learning paths, the Kinaxis Certification Program allows users to validate skills and expertise within RapidResponse across various roles and skill levels.

Our Center of Excellence team includes deep domain expertise with over 25 years of supply chain and RapidResponse experience. This team defines RapidResponse best practices, are our expert advisors to employees, partners, and customers, and hosts communities of practice to identify innovative solutions that continuously increase value for our customers in our product.

Customer Service excellence is the critical element for maintaining life-long, valuable relationships with our customers. Providing fast issue resolution and the right knowledge at the right time, our customer support team is dedicated to ensuring our customers are well cared for in every aspect of their engagement with us. The customer support team collaborates with the product development team on enhancement requests and proactively seek out new ways to help each customer realize greater success through quality product support and upgrade services.

Our on-line community is a public forum hosted and maintained by us and is a key resource for our customer support service. The RapidResponse sub-community is a private forum for customers to learn about and discuss RapidResponse. In this sub-community, casual users, frequent users, and RapidResponse system administrators can all obtain access to key resources, including a support forum, help video library, training center and upgrade center. Our broader public online community is open to all supply chain professionals and offers a unique opportunity to learn, share and connect with supply chain experts. In this network community, users are able to gain insights into best practices, discuss industry trends, and network with nearly 13,000 other users.

Our goal is to accelerate customer success by investing in deeply knowledgeable employees and partners to drive value through every step of our customer's journey.

Professional Services

Our professional services team is used primarily as a means to implement our subscription software applications. The team is comprised of supply chain experts who focus on three main areas:

- the success of the customer's initial deployment of RapidResponse;
- the development of configured business process solutions to address a customer's unique SCM planning needs; and
- the expanded use of RapidResponse to address additional customer business problems.

Our goal is to enable our customer to maximize its return on investment in RapidResponse by extending the use of our product over time.

Initial Deployment: Our professional services team will work with the customer to define its most urgent SCM planning problem and define a solution for that problem employing the appropriate RapidResponse applications. Leveraging best practices in on-demand service deployment, RapidResponse can typically be implemented in as few as four to six months.

Our ability to rapidly deploy RapidResponse is a result of extensive know-how gained from previous deployments in manufacturing organizations around the world. Our deployment methodology is to lead customers through the following stages:

- *Manage:* Manage the project to achieve a successful and rapid deployment.
- *Connect:* Integrate RapidResponse with internal data systems, as well as those of supply chain partners if applicable, and perform input data verification and data audit functions.
- *Configure:* Train the internal customer deployment team on the RapidResponse application(s); configure settings, users and groups; and design, build and prototype unique resources to meet unique customer requirements.

- *Confirm:* Test business processes and configured system resources.
- *Close-out*: Promote configured solutions from deployment to ready state and transition customers from involvement with our professional services team to interaction with our support team.

Ongoing Consulting: Solution architects on our professional services team continue to work with customers after their deployment to define a roadmap for continued expansion of RapidResponse. Most of our customers continue to roll out new applications or sites after the initial implementation of RapidResponse. Our solution architects can guide customers on how to leverage our product over the long-term.

Customers & Targeted Industries

Our customers are primarily global enterprises with complex supply chain networks operating in volatile business environments.

Our customer base includes customers that have subscribed for our product directly from us and customers that have purchased our product through our resellers and other partners.

We do not consider our revenues to be concentrated in any one particular customer. For the year ended December 31, 2017, no one customer individually accounted for greater than 10% of revenue.

We believe the majority of our customers have standardized on SAP and/or Oracle for their enterprise resource planning ("**ERP**") systems. SAP and Oracle also offer SCM products. However, rather than cobble together complicated, disparate supply chain management modules offered by their ERP provider, our customers select RapidResponse to address all their supply chain planning needs.

Our key targeted verticals include: (i) high technology & electronics; (ii) aerospace & defense; (iii) life sciences & pharmaceuticals; (iv) industrial; (v) automotive; and (vi) consumer packaged goods.

Customer Buying Cycle

Our sales cycle times vary depending on the size and complexity of the customer. For fully integrated enterprise solutions, the sales cycle varies by account but usually averages between six to eighteen months depending on factors including customer and user priorities, whether the customer uses one or multiple vendors, and the strength of the sales relationship.

Sales and Marketing

Our subscription sales are based on a monthly subscription fee which is typically prepaid on a yearly basis. Our subscription agreements usually have a fixed term of up to five years. This results in a fairly smooth revenue curve with a forward backlog that is significantly more than yearly revenues. Targets for new software "Subscription Revenues", which refers to fixed term license fees for on-premise use of RapidResponse applications or fees for provision of the applications as a service in a hosted environment, have been split over the past several years at 35% for expansion projects within our customer base and 65% for new name accounts. We typically enter into organization-wide subscription agreements with our customers, with pricing based on the number of end users in the customer's organization and the number of applications, sites and environments requested by the customer.

Sales Channels

Direct Sales

The majority of our software sales originate from our direct sales channel. Our direct sales force is located in North America, Europe and Asia. The incentive compensation of our sales representatives is based on target revenue forecasts. Our sales personnel are equally focused on the management of existing accounts and sales to new customers.

Our sales representatives tasked with new customer acquisition have expertise in SCM in the vertical markets specific to the target customers in their region. In addition to our direct sales channel, we have employees and contractors who are specialized experts and thought leaders in the markets we serve. These individuals provide our current and target customers with expert perspectives on process innovation and leading technology trends. We believe these experts increase our prospect's confidence in our ability to deliver, and they help build a deeper understanding of how RapidResponse can align to customers' current and future supply chain requirements.

Partners

Our partnership program is a key component of our success and allows us to further scale our business and expand our solution into new and existing target markets. Our partners are recognized as trusted advisors in the supply chain industry, and recommend and promote RapidResponse to their clients. We provide partners with the tools and resources to keep them apprised of the latest product and industry developments. After implementation, our partners have the opportunity to expand their own footprint with mutual customers through additional consulting engagements. We have seen a strong global increase in partners wanting to join our Partner Program. Our partners are investing with us to build-out even stronger industry-focused solutions on top of RapidResponse.

Currently, we are focusing our partnership program in three areas:

- For Kinaxis customers and prospects who require global deployments, supply chain transformation and project management, we have Kinaxis Global System Integrators (Global SIs) partners. These Global SIs help us develop differentiated supply chain solutions designed to meet enterprise end-customer supply chain needs. The depth of these partnerships will continue to expand and evolve over time, with the end goal of bringing our leading-edge solutions to some of the largest companies in the world.

- For Kinaxis customers and prospects who want other sources of RapidResponse Certified resources, we have Kinaxis Service Partners. These Service Partners allow our customers to continue their RapidResponse deployments and expansions in a cost-effective manner.

- Kinaxis Resellers are trained and equipped to resell and support RapidResponse while earning recurring revenue from subscription fees. With RapidResponse, resellers can expand their footprint with existing clients and find new opportunities for growth. Resellers often take full ownership of sales opportunities including finding leads, working through the sales cycle, managing implementation and providing support. We regard resellers as an extension of our sales force, and provide them with on-going support, sales tools, training and networking opportunities.

Marketing Efforts

Our marketing efforts are aimed at positioning Kinaxis as an industry-leading supply chain solution provider and promoting the expertise of our staff. Numerous Kinaxis employees are regarded as thought leaders in the industry. We leverage their expertise to increase our brand awareness and ultimately to generate customer leads. We promote this thought leadership through various channels, including our Supply Chain Expert Community, 21st Century Supply Chain Blog, whitepapers, event presentations (internal and external), direct marketing campaigns and webinars.

Our goal is for decision makers in our target markets to view us as an organization that truly understands and anticipates the challenges faced by global supply chain leaders.

Product Management and Product Development

Research and Development has historically been a significant portion of our overall operating cost model as we invest in the development and support of our new applications and vertical markets. Our engineering team is organized into the following groups: BackEnd Technology (DataServer and Integration Development), DataScience and Business (Analytics, Machine Learning and Business Solutions development), FrontEnd Technology (ApplicationServer, Java and Mobile Clients development), Release Management, DevOps and Infrastructure, Quality Assurance. We also have a Product Innovation Team which focuses on longer term Strategic Innovation programs.

We work with our customers as partners and their requirements are a key input to our product direction. Functionality that is developed to address a specific customer's requirements but also has a broad market application is typically added to RapidResponse and made available to all of our customers. As a result, our broader customer base benefits from our relationship with some of the largest and most successful global enterprises.

Technology

RapidResponse has been designed to support extremely large data sets, deep and complex supply analytics, user communities measured in the thousands, and multiple simultaneous running applications – all while maintaining high speed response times on both desktop and mobile devices. Developing a single common product that supports multiple market verticals and multiple applications requires an overall framework design built on extensive run-time configuration. These core tenets have been in place since product inception, and are key to supporting continued expansion into new areas and markets.

In-memory database:

RapidResponse uses an in-memory database, which is a database management system that relies on main memory for computer data storage, as opposed to more common systems employing disk storage only. In-memory databases can achieve faster speeds by accessing data in-memory, providing quicker and more predictable performance than disk-based systems. Unlike other in-memory technologies, RapidResponse has methods for optimizing both performance of traditional database queries as well as providing high-speed analytics computation. These patented approaches often reduce key supply chain computations from hours on a legacy mainframe, to seconds or minutes in RapidResponse.

Versioning data engine:

Users work from a virtual private copy of supply chain data in order to explore the impact and effectiveness of potential changes to supply chain data. RapidResponse employs patented technology to efficiently store multiple versions of data (called "scenarios") using only incremental changes (deltas) in input data. This provides for access to numerous scenarios without incurring large storage costs and enables the system to create, store and compare data from many more scenarios. Lower storage requirements also translate to lower access times and improved performance. These advantages are amplified with increased numbers of scenarios, as multiple users simultaneously explore different issues independently. Systems that compete with our product typically store complete copies of each set of input data. However, the storage requirements to save complete copies of each dataset (or version) can be very large, limiting the ability to support many simultaneous simulations.

Analytics:

RapidResponse analytics provide the computations necessary to support every RapidResponse application. These highly optimized calculations are key to planning functions as well as supporting "what-if" simulations. In order to simultaneously support integration with various host ERP brands and environments, RapidResponse employs configuration settings to control how analytics behave, allowing a single instance of RapidResponse to simultaneously mimic results from multiple ERP brands (for example, Oracle or SAP). This capability is what we call "Mass Run-time configurability" and is critical to supporting large scale multi-enterprise supply chain networks within a single heterogeneous environment. The analytics code is directly compiled into the database engine where it has direct access to the in-memory data and direct data relationships. Less movement of the data between the database and analytics results in better performance. Replicating planning behaviors that are utilized in our customer's legacy ERP systems is typically part of how our customers configure RapidResponse however our Analytics library contains many advanced capabilities that do not exist in typical ERP systems that are often utilized in addition to the logic from their ERP way of planning to achieve higher levels of planning maturity than would have been possible in legacy systems.

Network access & security:

Kinaxis adheres to industry standards for data privacy and security. Routine internal and external audits and documented processes are in place to ensure controlled access to our customers' data. The RapidResponse service is audited annually under the SOC2 Type II standard. Information processed by Kinaxis is protected in transit using industry strength transport protocols and encryption ciphers, which protects the data from third-party disclosure. Kinaxis regularly tests the logical security controls by using automated vulnerability scanning and application penetration testing. 24/7 security operation center monitoring is performed using SIEM technology paired with automated intrusion prevention, hardened firewalls, centrally controlled antivirus/malware enforcement prevents and detects malicious attacks. Our customers' data is physically secured through 24/7 monitoring of our data centers using CCTV integrated with access control and alarm systems. Multi-level controls with biometric access are in place to ensure only authorized personnel have access to the dedicated cage space managed by Kinaxis.

Intellectual Property

In accordance with industry practice, we protect our proprietary products and technology through a combination of patents, copyrights, trade-marks, trade secret laws and contractual provisions.

We generally license our software pursuant to agreements that impose restrictions on our customers' and partners' ability to use the technology, such as prohibiting reverse engineering, limiting the use of software copies and restricting access and/or use of our source code. Generally, we maintain ownership of modifications and extensions of our software made for specific customers, although there may be restrictions on our re-use of such software in some cases.

We also seek to avoid disclosure of our intellectual property and proprietary information by requiring our employees and consultants to execute non-disclosure and assignment of intellectual property agreements. Such agreements also require our employees and consultants to assign to us all intellectual property developed in the course of their employment or engagement. We also utilize non-disclosure agreements to govern interaction with business partners and prospective business partners and other relationships in which disclosure of proprietary information may be necessary.

Our software includes software components licensed from third parties including open source software. We believe that we follow industry best practices for using open source software and that replacement for this third party licensed software is available either on an open source basis or on commercially reasonable terms.

We hold a number of registered and unregistered trade-marks, service marks and domain names that are used in our business in both the United States and Canada. "KINAXIS" is a registered trade-mark in the United States, Canada, Taiwan, Hong Kong, Singapore, China, Japan, Thailand, South Korea, Australia and the European Community and "RAPIDRESPONSE" is a registered trade-mark in the United States, Canada and under the Madrid Protocol.

The following table sets out, for the issued patents we hold, the title of the patent, country which granted the patent, the patent number and the date of grant of the applicable patent. We also have three patents pending in the United States.

Title	Country	Patent Number	Date of Grant
Extended Database Engine Providing Versioning and Embedded Analytics	India	255768	March 21, 2013
A Method and System for Scheduling	India	279101	January 11, 2017
System and Method for Determining a Promise Date for a Demand in a Business Environment	Japan	4393993	October 23, 2009
System and Method for Determining a Promise Date for a Demand in a Business Environment	USA	8,015,044	September 6, 2011
System and Method for Determining a Promise Date based on a supply available date	USA	7,610,212	October 27, 2009
Extended Database Engine Providing Versioning and Embedded Analytics	USA	7,698,348	April 13, 2010
Extended Database Engine Providing Versioning and Embedded Analytics	USA	9,292,573	March 22, 2016
Scheduling System	USA	7,945,466	May 17, 2011
Enhanced Performance for Large Versioned Databases	USA	9,710,501	July 18, 2017

The enforcement of our intellectual property rights depends on any legal actions against any infringers being successful, but these actions may not be successful or may be prohibitively expensive, even when our rights have been infringed. Please see "*Risk Factors*" below.

Competition

While we do not believe that any specific competitor offers the distinct value proposition and integrated capabilities that we offer, the markets that make up the SCM and operations sectors are each rapidly evolving and highly competitive. We face competition from other software-as-a-service ("**SaaS**") players, traditional on-premise supply chain software vendors, MSPs and in-house solutions:

SaaS Vendors: Several SaaS companies provide niche SCM solutions to small and medium sized businesses as well as large enterprises. The advantage of SaaS for SCM is well-established, including higher service availability, enhanced performance and enhanced security.

Traditional on-premise software: These vendors require customers to purchase, install and manage specialized software, hardware and value-added networks for their supply chain integration needs. This approach requires customers to invest in staff to customize, operate and maintain the software.

In-House Solutions: Some companies develop custom in-house solutions to address their unique requirements. This requires a heavy investment in the internal resources of the company to build and maintain the solution.

Competitive software and consulting services vendors primarily include: SAP AG, Oracle Corporation, JDA Software Group, Inc., OM Partners nv, Anaplan, Inc. and o9 Solutions, Inc. From time to time we also encounter other players in the market such as Aera Technology, Inc. and Elementum SCM, Inc.

Employees

As of December 31, 2017, we had 453 employees. None of our employees are represented by a collective bargaining agreement and we have never experienced any work stoppage. We consider our relations with our employees to be good and we view our employees as an important competitive advantage. Historically, we have been successful in retaining our key employees including members of our management team. Our management team has an in-depth knowledge of our target vertical markets, and of the SCM industry in general.

Operations

We physically host our cloud solution in secure data center facilities in the United States, Canada and the Netherlands. These facilities feature redundant and fault-tolerant systems for power, cooling and Internet connectivity. In addition, the data centers are continuously monitored by security and data center personnel and feature video surveillance, mantraps and biometric access controls. These facilities and our agreements with our providers can be scaled depending on our specific needs. Data center facilities in North America provide annual reports of compliance with the following standards SSAE 16 SOC 1 Type 2 and AT101 SOC 2 Type 2. Our European facility provides annual ISO 27001 report of compliance.

RISK FACTORS

An investment in our common shares involves significant risks. Investors should carefully consider the risks described below and the other information elsewhere in this Annual Information Form, including our annual consolidated financial statements and related notes. We operate in rapidly changing economic and technological environments that present numerous risks, many of which are driven by factors that we cannot control or predict. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business and operations and cause the trading price of our common shares to decline. If any of the following or other risks occur, our business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of our common shares could decline and investors could lose all or part of their investment in our common shares. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the below described or other unforeseen risks. See "Forward-Looking Statements" at the beginning of this Annual Information Form for additional risks.

If we are unable to attract new customers or sell additional products to our existing customers, our revenue growth and profitability will be adversely affected.

To increase our revenue and achieve and maintain profitability, we must regularly add new customers or sell additional solutions to our existing customers, which we plan to do. Numerous factors, however, may impede our ability to add new customers and sell additional solutions to our existing customers, including our inability to convert companies that have been referred to us by our existing network into paying customers, failure to attract and effectively train new sales and marketing personnel, failure to retain and motivate our current sales and marketing personnel, failure to develop relationships with resellers or failure to ensure the effectiveness of our marketing programs. In addition, if prospective customers do not perceive our solutions to be of sufficiently high value and quality, we will not be able to attract the number and types of new customers that we are seeking.

We derive a significant portion of our revenue from a relatively small number of customers, and our growth depends on our ability to retain existing customers and add new customers.

We derive a significant percentage of our revenue from a relatively small number of customers, and the loss of any one or more of those customers could decrease our revenue and harm our current and future results of operations. For the twelve months ended December 31, 2017, our top ten customers accounted for 44% of our revenue with no one customer accounting for greater than 10% of our revenues. Although our largest customers may vary from period to period, we anticipate that we will continue to depend on revenue from a relatively small number of customers. In addition, the loss of one or more of our existing customers, or a failure to renew our subscription agreements with one or more of our existing customers, could negatively affect our ability to market our solutions. We rely on our reputation and recommendations from existing customers in order to promote subscriptions to our solutions. The loss of any of our existing key customers, or a failure of some of them to renew, could have a significant impact on our reputation and our ability to obtain new customers.

We encounter long sales cycles, particularly with our larger customers, which could have an adverse effect on the amount, timing and predictability of our revenue.

Our products have lengthy sales cycles, which typically extend from six to eighteen months and may in some instances take longer. Potential and existing customers, particularly larger enterprises, often commit significant resources to the evaluation of available solutions and services and require us to expend substantial time and resources in connection with our sales efforts. The length of our sales cycles also varies depending on the type of customer to which we are selling, the product being sold and customer requirements. We may incur substantial sales and marketing expenses and expend significant management effort during this time, regardless of whether we make a sale. Many of the risks relating to sales processes are beyond our control, including:

- our customers' budgetary and scheduling constraints;
- the timing of our customers' budget cycles and approval processes;
- our customers' willingness to augment or replace their currently deployed software products; and
- general economic conditions.

As a result of the lengthy and uncertain sales cycles for our products and services, it is difficult for us to predict when customers may purchase products or services from us, affecting when we can recognize the associated revenue. Our results of operations may vary significantly and may be adversely affected as a result. The length of our sales cycle makes us susceptible to having pending transactions delayed or terminated by our customers if they decide to delay or withdraw funding for IT projects. Our customers may decide to delay or withdraw funding for IT projects for various reasons, including global economic cycles and capital market fluctuations.

We rely significantly on recurring revenue, and if recurring revenue declines or contracts are not renewed, our future results of operations could be harmed.

In order for us to improve our operating results, it is important that our customers renew their agreements with us when their subscription terms expire. Our customers have no obligation to renew their subscriptions after a subscription term. We cannot assure you that our customers will renew their subscriptions at the same or higher levels of service, or at all.

Our revenue from subscriptions for our software and software-related support services accounted for approximately 76% of our total revenue for the year ended December 31, 2017. Revenue from subscriptions is recognized over the contractual term of the license, which is typically between two to five years, and is generally recurring in nature. Sales of new or recurring subscriptions and software-related support service contracts and renewals after expiration of the contractual term may decline or fluctuate as a result of a number of factors, including end customers' level of satisfaction with our software solutions; the price, performance and functionality of our software solutions; the availability, price, performance and functionality of products and services offered by our competitors; or reductions in our customers' spending levels. A software industry-wide movement towards shorter contractual license terms led by other SaaS providers, which competitive pressures may compel us to follow, could lead to increased volatility and diminished visibility into future recurring revenue. If our sales of new or recurring subscriptions and software related support service contracts decline, our revenue and revenue growth may decline, and our business will suffer.

Downturns or upturns in new sales will not be immediately reflected in operating results and may be difficult to discern.

Most of the subscription revenue we report in each quarter is derived from recognition of deferred revenue relating to subscriptions entered into in previous quarters. Consequently, a decline in new or renewed subscriptions in any single quarter will likely only have a small impact on our revenue results for that quarter. However, such a decline will negatively affect our revenues in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our applications, and potential changes in our pricing policies or rates of renewals, may not be fully reflected in our results of operations until future periods.

In addition, a significant majority of our costs are expensed as incurred, while revenues are recognized over the life of the customer agreement. As a result, increased growth in the number of our customers could result in our recognition of more costs than revenues in the earlier periods of the terms of our agreements.

Our subscription model also makes it difficult for us to rapidly increase our revenues through additional sales in any period, as revenues from customers must be recognized over the applicable subscription term.

Our quarterly results of operations may fluctuate. As a result, we may fail to meet or exceed the expectations of investors or securities analysts which could cause our share price to decline.

Our quarterly revenue and results of operations may fluctuate as a result of a variety of factors, many of which are outside of our control. If our quarterly revenue or results of operations fall below the expectations of investors or securities analysts, the price of our common shares could decline substantially. Fluctuations in our results of operations may be due to a number of factors, including, but not limited to, those listed below:

- demand for and market acceptance of our products;
- the mix of applications and services sold during a period;
- the amount of professional services purchased by our customers;
- our ability to retain and increase sales to customers and attract new customers;
- the timing of product deployment which determines when we can recognize the associated revenue;
- the timing and success of introductions of new solutions or upgrades by us or our competitors;
- the strength of the economy;
- changes in our pricing policies or those of our competitors;
- competition, including entry into the industry by new competitors and new offerings by existing competitors;
- network outages or security breaches;

- the amount and timing of expenditures related to expanding our operations, research and development or introducing new solutions; and
- changes in the payment terms for our solutions.

Due to the foregoing factors, and the other risks discussed in this Annual Information Form, you should not rely on quarter-to-quarter comparisons of our results of operations as an indication of our future performance.

Our solutions are complex and customers may experience difficulty in implementing or upgrading our products successfully or otherwise achieving the benefits attributable to our products.

Due to the scope and complexity of the solutions that we provide, our implementation cycle can be lengthy and unpredictable. Our products may require modification or personalization to unique customer/industry needs. We often must integrate with many existing computer systems and software programs of our customers and their trading partners. This can be time-consuming and expensive for our customers and can result in delays in the implementation and deployment of our products. Furthermore, our implementation capacity may be constrained during periods of high customer demand. As a result, some customers have had, and may in the future have, difficulty implementing our products successfully or otherwise achieving the expected benefits of our products. Delayed or ineffective implementation or upgrades of our software may limit our future sales opportunities, impact revenue, result in customer dissatisfaction and harm our reputation.

Security breaches could delay or interrupt service to our customers, harm our reputation or subject us to significant liability and adversely affect our business and financial results. Our ability to retain customers and attract new customers could be adversely affected by an actual or perceived breach of security relating to customer information.

Our operations involve the storage and transmission of the confidential information of many of our customers and security breaches could expose us to a risk of loss of this information, litigation, indemnity obligations and other liability. If our security measures are breached as a result of third party action, employee error, malfeasance or otherwise, and, as a result, someone obtains unauthorized access to our customers' data, including personally identifiable information regarding users, damage to our reputation is likely, our business may suffer and we could incur significant liability. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, we may be unable to prevent these techniques or to implement adequate preventative measures.

We have implemented security measures, including employee training, back-up systems, monitoring and testing, maintenance of protective systems and contingency plans, to protect and to prevent unauthorized access of confidential information of our customers and to reduce the likelihood of disruptions to our systems. See also *"Our business-technology-network access & security"*.

Despite these measures, all our information systems, including back-up systems and any third party service provider systems that we employ, are vulnerable to damage, interruption, disability or failure due to a variety of reasons, including physical theft, electronic theft, fire, power loss, computer and telecommunication failures or other catastrophic events, as well as from internal and external security breaches, denial of service attacks, viruses, worms and other known or unknown disruptive events. We or our third party service providers may be unable to anticipate, timely identify or appropriately respond to one or more of the rapidly evolving and increasingly sophisticated means by which computer hackers, cyber terrorists and others may attempt to breach our security measures or those of our third party service providers' information systems.

If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed and we could lose potential sales and existing customers. Further, an actual or perceived security breach affecting one of our competitors or any other company that provides hosting services or delivers applications under a SaaS model, even if no confidential information of our customers is compromised, may adversely affect the market perception of our security measures and we could lose potential sales and existing customers.

Privacy and security concerns, including evolving government regulation in the area of consumer data privacy, could adversely affect our business and operating results.

Our operations are used to transmit and store data, including personal information. This information is increasingly subject to legislation and regulations in numerous jurisdictions around the world that is intended to protect the privacy and security of personal information as well as the collection, storage, transmission, use and disclosure of such information.

The interpretation of privacy and data protection laws in a number of jurisdictions is constantly evolving. There is a risk that these laws may be interpreted and applied in conflicting ways from country to country. Many of these laws and regulations, including Canada's Personal Information Protection and Electronic Documents Act, and the European Union's General Data Protection Regulation contain detailed requirements regarding collecting and processing personal information, and impose certain limitations on how such information may be used, the length for which it may be stored, and the effectiveness of consumer consent. Certain laws and regulations, like the European Union's General Data Protection Regulation, also include restrictions on the transfer of personal information across state borders. Because our products and services are accessible worldwide, certain foreign jurisdictions may claim that we are required to comply with such laws even in jurisdictions where we have no local entity, employees or infrastructure. Complying with these varying international requirements could cause us to incur additional costs and change our business practices.

We could be adversely affected if legislation or regulations are expanded to require changes in our products or business practices, if governmental authorities in the jurisdictions in which we do business interpret or implement their legislation or regulations in ways that negatively affect our business or if customers or other parties allege that their personal information was misappropriated as a result of a defect or vulnerability in our products. This type of regulation could reduce the demand for our products if we fail to design or enhance our products to enable our customers to comply with the privacy and security measures required by the relevant regulations. If we are required to allocate significant resources to modify our products or our existing security procedures for the personal information that our products transmit, our business, results of operations and financial condition may be adversely affected.

We have incurred operating losses in the past and may incur operating losses in the future.

We began our operations in 1984. Throughout most of our history, we have experienced net losses and negative cash flows from operations. As of December 31, 2017, we had an accumulated deficit of $2.5 million. We expect our operating expenses to increase in the future as we expand our operations. Furthermore, as a public company, we incur legal, accounting and other expenses that we did not incur as a private company. If our revenue does not grow to offset these increased expenses, we will not be profitable. We cannot assure you that we will be able to achieve or maintain profitability. You should not consider recent revenue growth as indicative of our future performance.

If we are unable to develop new products and services, sell our solutions into new markets or further penetrate our existing markets, our revenue will not grow as expected.

The software industry is subject to rapid technological change. Our ability to attract new customers and increase revenue from existing customers will depend in large part on our ability to enhance and improve our solutions, to introduce new features and services in a timely manner, to sell into new markets and to further penetrate our existing markets. The success of any enhancement or new feature or service depends on several factors, including the timely completion, introduction and market acceptance of the enhancement or new feature or service. Any new feature or service we develop or acquire may not be introduced in a timely or cost-effective manner and may not achieve the broad market acceptance necessary to generate significant revenue. Any new markets into which we attempt to sell our solutions, including new vertical markets and new countries or regions, may not be receptive. If we are unable to successfully develop or acquire new features, products or services, enhance our existing product or services to meet customer requirements, sell products and services into new markets or sell our product and services to additional customers in our existing markets, our revenue will not grow as expected. Moreover, we are frequently required to enhance and update our product and services as a result of changing standards and technological developments, which makes it difficult to recover the cost of development and forces us to continually qualify new features with our customers.

If we do not maintain the compatibility of our solutions with third party applications that our customers use in their business processes, demand for our solutions could decline.

Our solutions can be used alongside a wide range of other systems, such as enterprise software systems and business software applications used by our customers in their businesses. If we do not support the continued integration of our solutions with third party applications, including through the provision of application programming interfaces that enable data to be transferred readily between our solutions and third party applications, demand for our solutions could decline, and we could lose sales. We will also be required to make our solutions compatible with new or additional third party applications that are introduced into the markets that we serve. We may not be successful in making our solutions compatible with these third party applications, which could reduce demand for our solutions. In addition, prospective customers, especially large enterprise customers, may require heavily customized features and functions unique to their business processes. If prospective customers require customized features or functions that we do not offer, then the market for our solutions will be adversely affected.

Our inability to assess and adapt to rapid technological developments could impair our ability to remain competitive.

The industry in which we compete is characterized by rapid technological change, frequent introductions of new products and evolving industry standards. Our ability to attract new customers and increase revenue from customers will depend in significant part on our ability to anticipate industry standards and to continue to enhance existing solutions or introduce or acquire new solutions on a timely basis to keep pace with technological developments. The success of any enhancement or new solution depends on several factors, including the timely completion and market acceptance of the enhancement or new solution. Any new solution we develop or acquire might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of our competitors implement new technologies before we are able to implement them, those competitors may be able to provide more effective solutions than ours at lower prices. The pace of technological change is accelerating based on recent advances in artificial intelligence and machine learning, as well as innovations such as distributed ledger technology (blockchain). These technologies have potential applications in supply chain management. New competitors may emerge with business models that are based on, or leverage, these and other disruptive technologies. If these competitors are able to solve complex supply chain problems significantly more efficiently than our solutions, our business could be materially adversely affected. To the extent that we adopt disruptive technologies, we may face additional risks, such as increased R&D expenses, new data security risks, and lack of developers with relevant experience.

We enter into service level agreements with all of our customers. If we fail to meet these contractual commitments, we could be obligated to provide credits or refunds for prepaid amounts related to unused subscription services or face contract terminations, which could adversely affect our revenues.

Our customer agreements typically provide service level commitments on a quarterly basis. If we are unable to meet the stated service level commitments or suffer extended periods of unavailability for our applications, we may be contractually obligated to provide these customers with service credits, refunds for service credits following the termination of the contract, or we could face contract terminations. Our revenues could be significantly affected if we suffer unscheduled downtime that exceeds the allowed downtimes under our agreements with our customers. Any extended service outages could adversely affect our reputation, revenues and operating results.

Downturns in general economic and market conditions and reductions in IT spending may reduce demand for our solutions, which could negatively affect our revenue, results of operations and cash flows.

Recent events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, financial developments seemingly unrelated to us or to our industry may materially adversely affect us over the course of time. Volatility in the market price of our common shares due to seemingly unrelated financial developments could hurt our ability to raise capital for the financing of acquisitions or other reasons. Potential price inflation caused by an excess of liquidity in countries where we conduct business may increase the cost we incur to provide our solutions and may reduce profit margins on agreements that govern our provision of products or services to customers over a multi-year period. A reduction in credit, combined with reduced economic activity, may materially adversely affect businesses and industries that collectively constitute a significant portion of our customer base. As a result, these customers may need to reduce their purchases of our products or services, or we may experience greater difficulty in receiving payment for the products or services that these customers purchase from us. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on our business, operating results, and financial conditions.

We are subject to fluctuations in currency exchange rates.

We report our financial results in U.S. dollars as a significant portion of our business is conducted and invoiced in U.S. dollars. However, as we anticipate our international business will grow, the percentage of our revenue received in foreign currencies will likely increase. Accordingly, we are subject to, and may increasingly be subject to, currency fluctuations that may, from time to time, affect our financial position and performance. Further, a significant amount of our expenses are paid in Canadian dollars. As a result, we are exposed to currency risk on these transactions. Any fluctuation in the exchange rate of these currencies may negatively impact our business, financial condition and operating results.

If we fail to protect our intellectual property and proprietary rights adequately, our business could be adversely affected.

We believe that proprietary technology is essential to establishing and maintaining our leadership position. We seek to protect our intellectual property rights through trade secrets, copyrights, confidentiality, non-compete, nondisclosure and proprietary technology agreements, filing patent applications and seeking patent protection, trade-marks, domain names and other measures, some of which afford only limited protection. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our technology or to obtain and use information that we regard as proprietary. We may be required to spend significant resources to monitor and protect our proprietary rights, and we cannot assure you that our means of protecting our proprietary rights will be adequate or that our competitors will not independently develop similar or superior technology or design around our intellectual property. In addition, the laws of some foreign countries do not protect our proprietary rights to as great an extent as the laws of Canada. Intellectual property protections may also be unavailable, limited or difficult to enforce in some countries, which could make it easier for competitors to capture market share. Our failure to adequately protect and enforce our intellectual property and proprietary rights could adversely affect our business, financial condition and results of operations.

By enforcing and/or asserting our intellectual property rights, such as our patent rights, there can be no assurance that our patents would be held valid or enforceable by a court of competent jurisdiction or that a court would rule that the competitor's products or technologies constitute patent infringement.

Because intellectual property litigation, particularly software patent litigation, involves complex legal and factual questions, the issuance, scope, validity, and enforceability of patents cannot be predicted with certainty. Patents, if issued, may be challenged, invalidated or circumvented. If our patents were invalidated or found to be unenforceable, we would lose the ability to exclude others from making, using or selling the inventions claimed. Moreover, an issued patent does not guarantee the right to use the patented technology or commercialize a product using that technology. Third parties may have blocking patents that could be used to prevent us from using technology claimed in our own patents. Thus patents that we own may not allow us to exploit the rights conferred by its intellectual property protection.

An assertion by a third party that we are infringing its intellectual property could subject us to costly and time-consuming litigation or expensive licenses which could harm our business.

The industries in which we compete are characterized by the existence of a large number of patents, copyrights, trade-marks and trade secrets and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. As we seek to extend our solutions, we could be constrained by the intellectual property rights of others. In addition, our customer contracts require us to indemnify our customers against certain liabilities they may incur as a result of our infringement of any third party intellectual property.

We might not prevail in any intellectual property infringement litigation given the complex legal and technical issues and inherent uncertainties in such litigation. Defending such claims, regardless of their merit, could be time-consuming and distracting to management, result in costly litigation or settlement, cause development delays or require us to enter into royalty or licensing agreements. Furthermore, if our solutions exceed the scope of in-bound licenses or violate any third party proprietary rights, we could be required to withdraw those solutions from the market, re-develop those solutions or seek to obtain licenses from third parties, which might not be available on reasonable terms or at all. Any efforts to re-develop our solutions, obtain licenses from third parties on favourable terms or license a substitute technology might not be successful and, in any case, might substantially increase our costs and harm our business, financial condition and results of operations. If we were compelled to withdraw any of our solutions from the market, our business, financial condition and results of operations could be harmed.

The markets in which we participate are highly competitive, and our failure to compete successfully would make it difficult for us to add and retain customers and would reduce or impede the growth of our business.

The markets for SCM solutions are increasingly competitive and global. We expect competition to increase in the future both from existing competitors and new companies that may enter our markets. Increased competition could result in pricing pressure, reduced sales, lower margins or the failure of our solutions to achieve or maintain broad market acceptance. We currently face, or may face in the future, competition from:

- Traditional on-premise supply chain software vendors and other SaaS providers;
- Managed service providers that combine traditional on-premise software with professional IT services; and

- In-house solutions developed by our customers and potential customers.

To remain competitive, we will need to invest continuously in software development, marketing, customer service and support and product delivery infrastructure. However, we cannot assure you that new or established competitors will not offer solutions that are superior to or lower in price than ours. We may not have sufficient resources to continue the investments in all areas of software development and marketing needed to maintain our competitive position. In addition, some of our competitors have longer operating histories, greater name recognition, larger customer bases and significantly greater financial, technical, sales, marketing and other resources than us, which may provide them with an advantage in developing, marketing or servicing new solutions. Increased competition could reduce our market share, revenue and operating margins, increase our operating costs and otherwise adversely affect our business.

If we fail to retain our key employees, our business would be harmed and we might not be able to implement our business plan successfully.

Given the complex nature of the technology on which our business is based and the speed with which such technology advances, our future success is dependent, in large part, upon our ability to attract and retain highly qualified managerial, technical and sales personnel. Competition for talented personnel is intense, and we cannot be certain that we can retain our managerial, technical and sales personnel or that we can attract, assimilate or retain such personnel in the future. Our inability to attract and retain such personnel could have an adverse effect on our business, results of operations and financial condition.

Our general compensation program includes restricted stock units, performance stock units and stock options, which are important tools in attracting and retaining employees in our industry. If our stock price performs poorly, it may adversely affect our ability to retain or attract employees. We continually evaluate our compensation practices and consider changes from time to time, such as reducing the number of employees granted equity awards or the number of equity awards granted per employee and granting alternative forms of stock-based compensation, which may have an impact on our ability to retain employees and the amount of stock-based compensation expense that we record. Any changes in our compensation practices or those of our competitors could affect our ability to retain and motivate existing personnel and recruit new personnel

Our growth is dependent upon the continued development of our direct sales force.

We believe that our future growth will depend on the continued development of our direct sales force and their ability to obtain new customers, particularly large enterprise customers, and to manage our existing customer base. Our ability to achieve significant growth in revenue in the future will depend, in large part, on our success in recruiting, training and retaining a sufficient number of direct sales personnel. New sales personnel require significant training and may, in some cases, take more than a year before becoming productive, if at all. If we are unable to hire and develop sufficient numbers of productive direct sales personnel, sales of our software and services will suffer and our growth will be impeded.

As we increase our emphasis on our partnership program, we may encounter new risks, such as dependence on partners for a material portion of our revenue and potential channel conflict.

Our partnership program requires an investment by us of time and resources and future revenue opportunities through our channel partners are uncertain. We cannot provide assurance that we will be successful in maintaining or building on our relationships with our partners. In addition, we cannot provide assurance that our partners will act in a manner that will promote the success of our products and services. Failure by our partners to promote and support our products and services could adversely affect our business, results of operations and financial condition.

Our partnership relationships are not exclusive and our partners may also sell or support products and services of our competitors. If some of our competitors offer their products and services to our partners on more favorable terms or have more products or services available to meet their needs, there may be pressure on us to reduce the price of our products or services failing which our partners may de-emphasize the sale of our products and services in favor of the products and services of our competitors. We believe that our partners exert significant influence on customer purchasing decisions, especially purchasing decisions by large enterprises.

To the extent that our business depends on our partners, the failure of our partners to adopt successful strategies and grow their own businesses could have a material adverse effect on our business, results of operations and financial condition.

If we experience significant fluctuations in our rate of anticipated growth and fail to balance our expenses with our revenue forecasts, our results could be harmed.

Due to our evolving business model and the unpredictability of future general economic and financial market conditions, we may not be able to accurately forecast our rate of growth. We plan our expense levels and investment on estimates of future revenue and future anticipated rate of growth. We may not be able to adjust our spending quickly enough if the addition of new subscriptions or the renewal rate for existing subscriptions falls short of our expectations. As a result, we expect that our revenues, operating results and cash flows may fluctuate significantly on a quarterly basis. We believe that period to period comparisons of our revenues, operating results and cash flows may not be meaningful and should not be relied upon as an indication of future performance.

Interruptions or delays in the services provided by third party data centers and/or internet service providers could impair the delivery of our solutions and our business could suffer.

We host our solutions in Ashburn, Virginia, Seoul, South Korea and Ottawa, Ontario. All of our solutions reside on hardware owned or leased and operated by us in these locations. We do not have control over the operation of these facilities, although we do approve access to and manage our own network and servers. Our data center agreements provide for the renewal of such agreements in accordance with the terms of the applicable agreements but are subject to early termination in certain circumstances. If one or more of our data center operators is acquired, we may be required to transfer our servers and other infrastructure to new data center facilities, and we may incur significant costs and possible service interruption in connection with doing so.

Our operations depend on the protection of the equipment and information we store in these third party data centers and which third party internet service providers transmit against damage or service interruptions that may be caused by fire, flood, severe storm, earthquake, power loss, telecommunications failures, unauthorized intrusion, computer viruses and disabling devices, natural disasters, war, criminal act, military action, terrorist attack and other similar events beyond our control. A prolonged service disruption or data security breach affecting our solutions for any of the foregoing reasons could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers from whom we receive recurring revenue or otherwise adversely affect our business. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the data centers we use or that impair their operations or security systems.

Our solutions are accessed by a large number of customers often at the same time. As we continue to expand the number of our customers and solutions available to our customers, we may not be able to scale our technology to accommodate the increased capacity requirements, which may result in interruptions or delays in service. In addition, the failure of our third party data centers or third party Internet service providers to meet our capacity requirements could result in interruptions or delays in access to our solutions or impede our ability to scale our operations. In the event that our data center or third party internet service provider arrangements are terminated, or there is a lapse of service, interruption of internet service provider connectivity, or damage to such facilities, we could experience interruptions in access to our solutions as well as delays and additional expense in arranging new facilities and services.

We may experience service failures or interruptions due to defects in the software, infrastructure, third party components or processes that comprise our existing or new solutions, any of which could adversely affect our business.

Our products may contain undetected defects in the software, infrastructure, third party components or processes that are part of the solutions we provide. If these defects lead to service failures after introduction of a solution or an upgrade to the solution, we could experience delays or lost revenue during the period required to correct the cause of the defects. We cannot be certain that material defects will not be found in new solutions or upgraded solutions, resulting in loss of, or delay in, market acceptance, which could have an adverse effect on our business, results of operations and financial condition.

Because customers use our solutions for critical business processes, any defect in our solutions, any disruption to our solutions or any error in execution could cause recurring revenue customers to seek compensation or other contract relief from us, prevent potential customers from purchasing our solutions and harm our reputation. Although our contracts with our customers limit our liability to our customers for these defects, disruptions or errors, we nonetheless could be subject to litigation for actual or alleged losses to our customers' businesses, which may require us to spend significant time and money in litigation or arbitration or to pay significant settlements or damages. Courts may not enforce provisions in our contracts that would limit our liability or otherwise protect us from liability for damages. We do not currently maintain any warranty reserves. Defending a lawsuit, regardless of its merit, could be costly and divert management's attention and could cause our business to suffer.

The insurers under our existing liability insurance policy could deny coverage of a future claim that results from an error or defect in our technology or a resulting disruption in our solutions, or our existing liability insurance might not be adequate to cover all of the damages and other costs of such a claim. Moreover, we cannot assure you that our current liability insurance coverage will continue to be available to us on acceptable terms or at all. The successful assertion against us of one or more large claims that exceeds our insurance coverage, or the occurrence of changes in our liability insurance policy, including an increase in premiums or imposition of large deductible or co-insurance requirements, could have an adverse effect on our business, financial condition and results of operations. Even if we succeed in litigation with respect to a claim, we are likely to incur substantial costs and our management's attention will be diverted from our operations.

The use of open source software in our products may expose us to additional risks and harm our intellectual property.

Our software makes use of and incorporates open source software components. These components are developed by third parties over whom we have no control. We have no assurances that those components do not infringe upon the intellectual property rights of others. We could be exposed to infringement claims and liability in connection with the use of those open source software components, and we may be forced to replace those components with internally developed software or software obtained from another supplier, which may increase our expenses. The developers of open source software are usually under no obligation to maintain or update that software, and we may be forced to maintain or update such software ourselves or replace such software with internally developed software or software obtained from another supplier, which may increase our expenses. Making such replacements could also delay enhancements to our products. Certain open source software licenses provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to such software, including the source code to such modifications, are also made available under the same terms and conditions. As a result, any modifications we make to such software will be available to all downstream users of the software, including our competitors. In addition, certain open source licenses ("**Reciprocal Licenses**") provide that if we wish to combine the licensed software, in whole or in part, with our proprietary software, and distribute copies of the resulting combined work, we may only do so if such copies are distributed under the same terms and conditions as the open source software component of the work was licensed to us, including the requirement to make the source code to the entire work available to recipients of such copies. The types of combinations of open source software and proprietary code that are covered by the requirement to release the source code to the entire combined work are uncertain and much debated by users of open source software. There is little or no legal precedent governing the interpretation of many of the terms of these licenses. An incorrect determination as to whether a combination is governed by such provisions will result in non-compliance with the terms of the open source license. Such non-compliance could result in the termination of our license to use, modify and distribute copies of the affected open source software and we may be forced to replace such open source software with internally developed software or software obtained from another supplier, which may increase our expenses. In addition to terminating the affected open source license, the licensor of such open source software may seek to have a court order that the proprietary software that was combined with the open source software be made available to others, including our competitors, under the terms and conditions of the applicable open source license. For those reasons we have instituted policies and practices which are intended to limit the use of open source software that is distributed under the terms of a Reciprocal License. However, many of the risks of open source software cannot be eliminated and could adversely affect our business.

Mergers or other strategic transactions involving our competitors or customers could weaken our competitive position, which could harm our results of operations.

Our industry is highly fragmented, and we believe it is likely that some of our existing competitors will consolidate or will be acquired. In addition, some of our competitors may enter into new alliances with each other or may establish or strengthen cooperative relationships with systems integrators, third party consulting firms or other parties, thereby limiting our ability to promote our products. Any such consolidation, acquisition, alliance or cooperative relationship could lead to pricing pressure and our loss of market share and could result in a competitor with greater financial, technical, marketing, service and other resources, all of which could have a material adverse effect on our business, results of operations and financial condition.

Consolidation within our existing and target markets as a result of mergers or other strategic transactions may also create uncertainty among customers as they realign their businesses and impact new sales and renewal rates. For example, mergers or strategic transactions by potential or existing customers may delay orders for our products and services or cause the use of our products to be discontinued, which could have a material adverse effect on our business, results of operations and financial condition.

We may not receive significant revenue as a result of our current research and development efforts.

We reinvest a large percentage of our revenue in research and development. Our investment in our current research and development efforts may not provide a sufficient, timely return. We make and will continue to make significant investments in software research and development and related product opportunities. Investments in new technology and processes are inherently speculative. Commercial success depends on many factors including the degree of innovation of the products developed through our research and development efforts, sufficient support from our strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for research and development. These expenditures may materially adversely affect our operating results if they are not offset by revenue increases. We believe that we must continue to dedicate a significant amount of resources to our research and development efforts in order to maintain our competitive position. However, significant revenue from new product and service investments may not be achieved for a number of years, if at all. Moreover, new products and services may not be profitable.

Because our long-term success depends, in part, on our ability to continue to expand the sales of our solutions to customers located outside of North America, our business will be susceptible to risks associated with international operations.

We have limited experience operating in foreign jurisdictions. Conducting and launching operations on an international scale requires close coordination of activities across multiple jurisdictions and time zones and consumes significant management resources. Customers in countries outside of North America accounted for 12% of our revenue for the fiscal year ended December 31, 2017. Our limited experience in operating our business outside of North America increases the risk that our current and any future international expansion efforts will not be successful. Conducting international operations subjects us to new risks that, generally, we have not faced in North America, including:

- fluctuations in currency exchange rates;
- new and different sources of competition;
- unexpected changes in foreign regulatory requirements;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- difficulties in managing and staffing international operations, including differences in labour laws;
- potentially adverse tax consequences, including the complexities of foreign value-added tax systems and restrictions on the repatriation of earnings;
- localization of our solutions, including translation into foreign languages and associated expenses;
- the burdens of complying with multiple, conflicting foreign laws and different legal standards and regulatory requirements, including laws and regulations related to privacy, data security and data residency requirements;
- requirements for regional hosting of customer solutions and data, which may require additional capital expenditures necessary to set up new data centers;
- increased financial accounting and reporting burdens and complexities;
- political, social and economic instability abroad, terrorist attacks and security concerns in general;
- difficulties enforcing agreements through foreign legal systems; and
- reduced or varied protection for intellectual property rights in some countries.

The occurrence of any one of these risks could negatively affect our international business and, consequently, our results of operations generally. Additionally, operating in international markets also requires significant management attention and financial resources. We cannot be certain that the investment and additional resources required in establishing, acquiring or integrating operations in other countries will produce desired levels of revenue or profitability.

The outcome of any litigation, arbitration or other dispute resolution proceedings that we may engage in from time to time is inherently uncertain. We may become defendants in legal proceedings in which we are unable to assess our exposure and which could become significant liabilities in the event of an adverse judgment or decision.

From time to time in the ordinary course of our business, we may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on our business, operating results or financial condition.

Current and future accounting pronouncements and other financial reporting standards, might negatively impact our financial results.

We regularly monitor our compliance with applicable financial reporting standards and review new pronouncements and drafts thereof that are relevant to us. As a result of new standards, changes to existing standards, and changes in their interpretation, we might be required to change our accounting policies. This could lead to risks in the following areas, among others:

- our ability to react in a timely manner to new accounting pronouncements and financial reporting standards concerning revenue recognition (including the new IFRS 15 standard on revenue from contracts with customers that we will need to adopt in 2018); and
- unpredictable changes in interpretation of standards.

Any one or more of these events could have an adverse effect on our business, financial position, and profit.

We are subject to taxation in various jurisdictions and the taxing authorities may disagree with our tax positions.

With operations and sales in various countries, we are subject to taxation in Canada and several other jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in Canada and these other jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have a material adverse effect on our liquidity and results of operations.

In addition, the authorities in Canada and other jurisdictions could review our tax returns and impose additional tax, interest and penalties, which could have a material impact on us and the results of our operations. We participate in government programs with both the federal government and the Government of Ontario that provide investment tax credits based upon qualifying research and development expenditures. These expenditures primarily consist of the salaries of the persons conducting the research and development activities. If these investment tax credits are reduced or eliminated, this may adversely affect our business, financial condition and results of operations. Although we are of the view that all expenses and tax credits we claim, including research and development expenses and related investment tax credits, are reasonable and deductible and have been correctly determined, there can be no assurance that the Canadian taxation authorities will agree. If the Canadian taxation authorities successfully challenge such expenses or the correctness of such income tax credits claimed, our operating results could be adversely affected. If the Canadian taxation authorities reduce a tax credit either by reducing the rate of the credit or the eligibility of some research and development expenses in the future, our operating results could be adversely affected.

We conduct operations worldwide through subsidiaries in various tax jurisdictions pursuant to transfer pricing arrangements with our subsidiaries. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arm's length. While we believe that we operate in compliance with applicable transfer pricing laws and intend to continue to do so, our transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these countries were to successfully challenge our transfer prices as not reflecting arm's length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices, which could result in a higher tax liability to us.

If we fail to develop widespread brand awareness cost-effectively, our business may suffer.

We believe that developing and maintaining widespread awareness of our brand in a cost-effective manner is critical to achieving widespread acceptance of our applications and attracting new customers. Our marketing efforts are primarily directed at lead generation and growing brand awareness. Brand promotion activities, including our promotion of expert content, may not generate customer awareness or increase revenues, and even if they do, any increase in revenues may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, or incur substantial expenses, we may fail to attract or retain customers necessary to realize a sufficient return on our brand-building efforts, or to achieve the widespread brand awareness that is critical for broad customer adoption of our applications.

Our strategy includes pursuing acquisitions and our potential inability to successfully integrate newly-acquired companies or businesses may adversely affect our financial results.

We continue to seek opportunities to acquire or invest in businesses, products and technologies that could expand, complement or otherwise relate to our current or future business. We may also consider, from time to time, opportunities to engage in joint ventures or other business collaborations with third parties to address particular market segments. The pursuit of these activities may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions or joint ventures, whether or not they are consummated. If consummated, these activities create risks such as: (i) the need to integrate and manage the businesses and products acquired with our own business and products; (ii) additional demands on our resources, systems, procedures and controls; (iii) disruption of our ongoing business; (iv) adverse effects to our existing business relationships; and (v) potential loss of key employees. Moreover, these transactions could involve: (i) substantial investment of funds or financings by issuance of debt or equity securities; (ii) substantial investment with respect to technology transfers and operational integration; and (iii) the acquisition or disposition of product lines or businesses. Also, such activities could result in one-time charges and expenses and have the potential to either dilute the interests of existing shareholders or result in the issuance of, or assumption of debt. Such acquisitions, investments, joint ventures or other business collaborations may involve significant commitments of our financial and other resources. Any such activity may not be successful in generating revenue, income or other returns to us, and the resources committed to such activities will not be available to us for other purposes. Moreover, if we are unable to access capital markets on acceptable terms or at all, we may not be able to consummate acquisitions, or may have to do so on the basis of a less than optimal capital structure. Our inability to take advantage of growth opportunities for our business or for our products, or to address risks associated with acquisitions or investments in businesses, may negatively affect our operating results. Additionally, any impairment of goodwill or other intangible assets acquired in an acquisition or in an investment, or charges to earnings associated with any acquisition or investment activity, may materially reduce our earnings which, in turn, may have an adverse material effect on the price of our common shares. If we do complete such transactions, we cannot be sure that they will ultimately strengthen our competitive position or that they will not be viewed negatively by customers, securities analysts or investors.

The market price for our common shares may be volatile.

The market price for our common shares may be volatile and subject to significant fluctuations in response to numerous factors, many of which are beyond our control, including the following:

- actual or anticipated fluctuations in our quarterly results of operations;
- changes in estimates of our future results of operations;
- fluctuations in currency exchange rates, including the degradation of the U.S. dollar which is the currency in which our financial results are reported;
- changes in forecasts, estimates or recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which we operate or any other company that provides hosting services or delivers applications under a SaaS model;
- addition or departure of executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding common shares;
- sales or perceived sales of additional common shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital reorganizations;
- commitments by or involving us or our competitors;
- operating and share price performance of other companies that investors deem comparable to us;

- news reports relating to trends, concerns, technological or competitive developments, regulatory changes; and
- other related issues in our industry or targeted markets.

Financial markets have experienced and may experience significant price and volume fluctuations that affect the market prices of equity securities of companies and that may be unrelated to the operating performance, underlying asset value or prospects of such companies. Accordingly, the market price of our common shares may decline even if our operating results, underlying asset values or prospects have not changed. Conversely, the market price of the common shares may increase without any changes to our operating results, underlying assets value or prospects. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, our operations could be adversely affected and the trading price of our common shares may be materially adversely affected.

We may issue additional common shares in the future which may dilute our shareholders' investments.

The Company may issue additional common shares in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of common shares, and shareholders will have no pre-emptive rights in connection with such further issuances. In addition, when outstanding options are exercised or when common shares are issued on the vesting or settlement of outstanding share units, an investor will incur additional dilution. Accordingly, holders of common shares may suffer dilution.

We may need to raise additional funds to pursue our growth strategy or continue our operations, and we may be unable to raise capital when needed or on acceptable terms.

From time to time, we may seek additional equity or debt financing to fund our growth, enhance our products and services, respond to competitive pressures or make acquisitions or other investments. Our business plans may change, general economic, financial or political conditions in our markets may deteriorate or other circumstances may arise, in each case that have a material adverse effect on our cash flows and the anticipated cash needs of our business. Any of these events or circumstances could result in significant additional funding needs, requiring us to raise additional capital. We cannot predict the timing or amount of any such capital requirements at this time. If financing is not available on satisfactory terms, or at all, we may be unable to expand our business at the rate desired and our results of operations may suffer. Financing through issuances of equity securities would be dilutive to holders of our shares

DIVIDEND POLICY

We do not currently pay cash dividends on our common shares. The declaration and payment of dividends on our common shares is at the discretion of our Board of Directors. Our dividend policy will be reviewed from time to time by our Board of Directors in the context of our earnings, financial condition and other relevant factors.

DESCRIPTION OF THE SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares, of which 25,507,922 common shares were issued and outstanding as of December 31, 2017.

The holders of our common shares are entitled to one (1) vote in respect of each common share held at all meetings of holders of shares. The holders of the common shares are entitled to receive any dividends declared by the Company in respect of our common shares. The holders of our common shares will be entitled to receive our remaining property and assets available for distribution, after payment of liabilities, upon our liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

The summary above of the rights, privileges, restrictions and conditions attaching to our common shares is subject to and qualified in its entirety by reference to our articles and by-laws which are available under our profile on the SEDAR website at www.sedar.com.

Advance Notice Requirements

Under our by-laws, written notice of any proposal to be presented by any shareholder or any person to be nominated by any shareholder for election as a director must be delivered to our corporate secretary at our principal executive offices not later than the close of business on the 70th day nor earlier than the close of business on the 100th day prior to the first anniversary of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, such notice must be delivered not later than the close of business on the later of (a) the 70th day prior to such annual meeting, and (b) the 10th day following the day on which public announcement of the date of such meeting is first made by us. Our by-laws also set forth, among other things, the information that a shareholder must include in the notice and procedures to be followed in regards to a special meeting of shareholders. The advance notice by-law was put in place prior to our IPO and accordingly we have not sought shareholder approval of the by-law as a public company.

Other than the advance notice requirements summarized above, our by-laws have terms that are customary for companies incorporated under the CBCA.

The summary of the advance notice requirements under our by-laws described above is qualified in its entirety by reference to the full text of our by-laws, a copy of which are available under our profile on the SEDAR website at www.sedar.com.

MARKET FOR SECURITIES AND TRADING PRICE AND VOLUME

The common shares are listed for trading on the TSX under the symbol "KXS". The following table shows the monthly range of high and low prices per common share at the close of market on the TSX as well as total monthly volume of the common shares traded on the TSX for the most recent completed financial year:

Month	Price per Common Share Monthly High (Cdn$)	Price per Common Share Monthly Low (Cdn$)	Common Shares Total Monthly Volume
January	67.20	58.91	1,979,338
February	76.17	64.52	2,413,379
March	75.95	68.11	3,197,838
April	81.99	74.12	2,012,504
May	91.98	81.87	4,009,177
June	91.20	78.50	3,211,558
July	83.91	77.26	1,603,027
August	81.00	63.26	5,674,445
September	78.66	71.30	3,477,743
October	74.48	63.98	3,930,745
November	76.33	63.15	3,533,472
December	77.68	71.85	1,794,678

SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

To the best of our knowledge, as of December 31, 2017, no common shares were subject to contractual restrictions on transfer.

DIRECTORS AND EXECUTIVE OFFICERS

The following tables set out, as of the date of this Annual Information Form, for each of our directors and executive officers, the person's name, municipality of residence, position(s) with the Company, and, if a director, the year in which the person became a director. Our directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders.

Directors

Name and Place of Residence	Position(s) with Kinaxis	Director Since
Douglas Colbeth Scottsdale, Arizona, USA	Chairman of the Board	2001
John (Ian) Giffen(1)(3) Toronto, Ontario, Canada	Director	2010
Ronald Matricaria(1)(2) Scottsdale, Arizona, USA	Director	2014
Angel Mendez(2)(3) Rancho Santa Fe, California, USA	Director	2016
John Sicard Ottawa, Ontario, Canada	Director, President and Chief Executive Officer	2016
Jill Denham(1)(3) Toronto, Ontario, Canada	Director	2016
Robert Courteau(2) Toronto, Ontario, Canada	Director	2016

Notes:

(1) Member of the Audit Committee. Mr. Giffen is Chair of the Audit Committee.
(2) Member of the Compensation Committee. Mr. Matricaria is Chair of the Compensation Committee.
(3) Member of the Nominating and Governance Committee. Mr. Mendez is Chair of the Nominating and Governance Committee.

Executive Officers

Name and Place of Residence	Position(s) with Kinaxis
John Sicard Ottawa, Ontario, Canada	Director, President and Chief Executive Officer
Richard Monkman Ottawa, Ontario, Canada	Chief Financial Officer and Vice President, Corporate Services
Paul Carreiro Long Boat Key, Florida, USA	Chief Revenue Officer
Sarah Sedgman Ottawa, Ontario, Canada	Chief Customer Officer
Jay Muelhoefer Boston, Massachusetts, USA	Chief Marketing Officer
David Kelly Houston, Texas, USA	Executive Vice President, Professional Services
Gelu Ticala Ottawa, Ontario, Canada	Vice President, Product Development
Megan Paterson Ottawa, Ontario, Canada	Vice President, Human Resources

As of the date of this Annual Information Form, our directors and executive officers (as a group) owned, or exerted direction or control over, a total of 802,351 common shares, representing approximately 3.1% of our total outstanding common shares.

Biographies

The following are brief profiles of our executive officers and directors, including a description of each individual's principal occupation within the past five years.

John Sicard: President, Chief Executive Officer and Director

Prior to moving into his current role as President and Chief Executive Officer, Mr. Sicard had over twenty years' tenure at Kinaxis. Mr. Sicard first started at the Company as a key contributor to the architecture and development of Kinaxis' supply chain management solutions in early 1994, and has since held a number of senior management roles in development, professional services, business consulting, sales, marketing and customer support, and has held several positions at Kinaxis including Executive Vice President of Marketing and Development, Chief Operating Officer and Chief Strategy Officer. Before joining Kinaxis in 1994, Mr. Sicard held senior software architect positions in research and development at FastMAN Software Systems Inc. (also known as Promira Software Inc. before being purchased by Manugistics Group Inc.), and Monenco Agra Inc. Mr. Sicard holds a Bachelor of Computer Science degree from Concordia University in Canada. Mr. Sicard is also a graduate of Harvard Business School's Advanced Management Program in Massachusetts.

Richard Monkman: Chief Financial Officer and Vice President, Corporate Services

Mr. Monkman has served in various finance roles with high technology companies for over 35 years. Prior to joining Kinaxis in October of 2005, Mr. Monkman held the Chief Financial Officer and other senior finance positions with leading software, services and other public and private high technology companies; most notably Nokia Internet Communications, SHL Systemhouse Inc. and ISM Corporation. Mr. Monkman is a Chartered Professional Accountant and has a Bachelor of Mathematics and Masters of Applied Science from the University of Waterloo.

Paul Carreiro: Chief Revenue Officer

As Chief Revenue Officer, Paul leads Kinaxis' Sales, Professional Services, and Alliance teams to drive revenue growth globally, building directly on the company's objective of assuring the delivery of continuous customer value. Paul holds a Master of Business Administration from the London School of Economics and Political Science/NYU Stern/HEC, in addition to completing the Director's College Program at McMaster University and Stanford University's Advanced Management Program. With more than 20 years of leadership experience in the supply chain and enterprise software industry, Paul comes to Kinaxis having held senior positions at organizations such as IBM, SAP (June 2002 to February 2013), and most recently with Infor (February 2013 to October 2017), where he held the position of President and Managing Director, EMEA.

Sarah Sedgman: Chief Customer Officer

Before joining Kinaxis, Mrs. Sedgman held many global executive positions with industry leaders including; Director of Cognos Learning Services (January 2009 to August 2011), IBM's Business Analytics Education Executive (August 2011 to August 2013), and most recently the Senior Vice President of PTC University (September 2013 to May 2015). She has more than 18 years of leadership experience in the IT knowledge and education industry and has previously been in charge of some of the largest and most profitable global education businesses in the industry. She is a true thought leader on knowledge, learning and adoption programs, and currently sits on several education services executive boards across North America. Mrs. Sedgman holds a Bachelor of Arts degree from the University of Waterloo.

David Kelly: Executive Vice President, Professional Services

Mr. Kelly came to Kinaxis with more than 15 years of experience working for enterprise software companies in a professional services capacity. Prior to joining Kinaxis in June 2014, Mr. Kelly was at IBM (June 2011 to May 2014) where he led IBM's Enterprise Content Management (ECM) worldwide services business. As IBM's worldwide ECM services leader, Mr. Kelly worked directly with IBM's largest global customers, global IBM sales teams, and managed a sales and delivery team that was responsible for driving services revenue and delivery of ECM solutions. Mr. Kelly holds a Bachelor of Arts degree from Wayne State University and has participated in multiple management classes at Rice University.

Jay Muelhoefer, Chief Marketing Officer

Mr. Muelhoefer joined Kinaxis on March 19, 2018 and brings an extensive marketing background to his new role, most recently serving as Chief Marketing Officer at Intralinks (November 2015 to July 2017) where he led a global team through the execution of multiple go-to-market and demand generation strategies. Prior to Intralinks, Mr. Muelhoefer held CMO roles at IBM (January 2013 to November 2015) and Platform Computing (October 2010 to January 2013), and was the General Manager of SaaS PLM at PTC (Parametric Technology Corp). With a strong background as a product leader, Mr. Muelhoefer will draw on his valuable cross-functional experience to help grow the Kinaxis marketing function at the scale necessary to support the company's long-term objectives.

Gelu Ticala: Vice President, Product Development

Since joining Kinaxis in 2000, Mr. Ticala has held several leadership roles on several development teams, including Analytics, Applications, Integration, and Quality Assurance. Prior to his current role, Mr. Ticala was Director of Solution Performance, leading a team of developers and analysts uniquely responsible for working cross-functionally to maintain and continuously improve the overall performance of both the standard product and configured RapidResponse solutions. Given his experience, Mr. Ticala has established a broad and deep understanding of the various elements that contribute to the Kinaxis RapidResponse product. Mr. Ticala holds a Bachelor of Science, Computer Science from the Technical University of Cluj-Napoca, is a certified Scrum Master and has over 20 years of experience in the software industry.

Megan Paterson: Vice President, Human Resources

As Vice President, Human Resources, Ms. Paterson oversees global human resources operations at Kinaxis. With over 15 years of industry experience, Ms. Paterson has played an integral role in developing the performance based culture at Kinaxis since joining the Company in January 2012. As part of her role, she ensures that the human resources programs support the goals and objectives of the company, while also cultivating the organization as a top employer of choice, which has led to the company being recognized by a multitude of awards over the years. Before joining Kinaxis, Ms. Paterson worked at EMS Technologies/Honeywell, Sedona Networks, and Trillium Photonics. Ms. Paterson graduated with a BA, Psychology from Carleton University.

Douglas Colbeth: Chairman of the Board and Director

Mr. Colbeth has been a director of Kinaxis since 2001 and is our current Chair of the Board; he served as President and Chief Executive Officer of the Company from 2003 to January 1, 2016. During his tenure as President and Chief Executive Officer, Mr. Colbeth was responsible for conducting the successful initial public offering of Kinaxis, growing the customer base to over 100 customers and for growing revenues to nearly $100 million. Prior to joining Kinaxis, Mr. Colbeth was Chief Executive Officer of Spyglass Inc., a leading provider of internet software technologies. In June 1995, Spyglass became one of the first internet software companies to conduct a successful initial public offering. Mr. Colbeth holds a Bachelor of Science degree from Siena College in New York. Mr. Colbeth is a Director of On Point Technology, LLC and is also the Chairman of the board of MedCircle Inc.

John (Ian) Giffen: Independent Lead Director

Mr. Giffen is currently the Lead Independent Director of Kinaxis Inc. and is a director of Absolute Software Inc. Mr. Giffen is also a director of a number of other private companies. From 1992 to 1996, Mr. Giffen was Vice-President, Finance and Chief Financial Officer at Alias Research Inc. (until it was sold to Silicon Graphics Inc. for approximately $500 million). Since 1996, Mr. Giffen has advised several private venture investment funds, and has served on the boards of a number of public and private companies including Macromedia Inc., (from 1997 – 2005 until it was sold to Adobe Systems Inc. for $4 billion), Ruggedcom Inc., MKS Inc., Descartes Systems Group Inc. (Chairman), DPS Inc., Corel Corporation Inc., Certicom Corporation Inc., Financial Models Inc., 724 Solutions Inc. (Chairman), Sierra Systems Group Inc., and Open Text Corporation Inc. Mr. Giffen is a Chartered Professional Accountant and a Fellow of the Institute of Chartered Accountants of Ontario (CPA Ontario).and has a Designation in Corporate Finance. He also holds a Bachelor of Arts degree in Business Administration from the University of Strathclyde in Glasgow and worked with KPMG in Glasgow from 1978-1982.

Ronald Matricaria: Director

Mr. Matricaria is currently a director and chairman of the board at Orthofix International N.V. (2014 to present), a publicly traded global medical device company, and most recently served as a director and chairman of the board at

Volcano Corporation, a medical device company (2005 to 2015), a director of Life Technologies Corporation, a life sciences company (2005 to 2014), and a director of the Phoenix Children's Hospital (2011 to 2014). Mr. Matricaria has previously served on the board of directors of a number of public and private companies including The Home Depot, Inc., Diametrics Medical, Inc., Ceridian HCM, Inc., Centocor, Inc., Haemonetics Corporation, Kinetic Concepts, Inc., Hospira, Inc., Cyberonics, Inc., Vistacare, Inc., Advanced Medical Technology Association (AdvaMed), the Pharmaceutical Manufacturers Association International Section, the American Diabetes Association, the American Foundation for Pharmaceutical Education, the National Foundation for Infectious Diseases, the National Retiree Volunteer Center and the Indiana Repertory Theatre. Mr. Matricaria also has over 35 years of medical device and pharmaceutical experience at St. Jude Medical, Inc., where he served as the Chair of the Board and Chief Executive Officer, and Eli Lilly and Company Inc. Mr. Matricaria holds a Bachelor of Science degree from the Massachusetts College of Pharmacy and was awarded an Honorary Doctorate degree in Pharmacy in recognition of his contributions to the practice of pharmacy. Mr. Matricaria's experience as the Chief Executive Officer of a prominent health care organization, his 23 years of executive experience in the pharmaceutical industry, and his service on other public company boards and board committees are all relevant to the performance of his responsibilities as a member of our Audit Committee and Chair of our Compensation Committee.

Angel Mendez: Director

Mr. Mendez is currently the Chief Operating Officer at HERE (August 2016 to present). As COO, Mr. Mendez is responsible for the strategic and operational execution of the company's core business, with a particular emphasis on operational excellence, business process innovation and systems automation. Mr. Mendez is also an Officer of the Board of Directors of the Association of Governing Boards of Universities and Colleges ("AGB"), as well as the Lafayette College Board of Trustees where he chairs the Committee on Trustees and Governance. Mr. Mendez has over 30 years of management expertise with some of the world's leading companies. Most recently, Mr. Mendez served as Senior Vice President, Cisco Transformation (September 2011 to March 2015), leading the Accelerated Cisco Transformation Program, a multiyear effort that reinvented Cisco's business model and enabled significant increases in growth and shareholder value. Prior to this role, Mr. Mendez led Cisco's Customer Value Chain Management organization (November 2008 to September 2011), responsible for corporate quality assurance, demand management, new product introduction, strategic sourcing, manufacturing, logistics, and customer service. Prior to joining Cisco in 2005, Mr. Mendez served as Senior Vice President of Global Operations for Palm Computing Inc., where he led the company's operational turnaround. Mr. Mendez began his career at General Electric Company, serving 11 years in increasingly responsible assignments. Following General Electric, he served in senior executive roles at AlliedSignal Inc., Citigroup Inc., and Gateway, Inc. Mr. Mendez holds a Masters in Business Administration from The Crummer School at Rollins College in Florida and a Bachelor of Science degree in Electrical Engineering from Lafayette College in Pennsylvania.

Jill Denham: Director

Ms. Denham has over 20 years' experience in the financial services industry. Ms. Denham brings a diverse skillset to the Kinaxis Board of Directors. She chairs the board of directors of Morneau Shepell Inc., a company that provides human resource consulting and technology services. Prior to becoming Chair, she was a member of that company's Audit Committee from 2008 to 2015. Since 2016, she also serves on the board of directors of Canadian Pacific Railway Limited. Since 2010, Ms. Denham has served on the board of directors of National Bank of Canada and is a member of that company's Human Resources Committee. Since 2012, she has been a member of the board of directors, which she currently chairs, and of the Audit and Review committees and the Investment Committee, which she has chaired since 2013, of Munich Reinsurance Company of Canada and Temple Insurance Company. She served on the board of directors of Penn West Petroleum Ltd. from 2012 to June 2016. During that time, Ms. Denham sat on the Governance Committee, the Audit Committee, and the Human Resources and Compensation Committee, chairing the latter from 2014 to 2015. From 2013 to July 2016, she served on the board of directors and the Governance Committee, Human Resources Committee, and Compensation Committee of Markit Ltd. Ms. Denham holds an Honours Business Administration (HBA) degree from the Ivey Business School at Western University and a Masters of Business Administration (MBA) from Harvard Business School.

Robert Courteau: Director

Mr. Courteau is an accomplished senior executive with extensive experience in leading new business initiatives and achieving growth objectives with some of the world's foremost companies. In January 2013, Mr. Courteau was appointed a director of Real Matters Inc., a leading network management services provider for the mortgage lending and insurance industries, which became a public company in 2017. Mr. Courteau is the Chief Executive Officer of Altus Group Limited (September 2012 to present), a leading provider of independent advisory services, software and data solutions to the global commercial real estate industry. Most recently, he was President of SAP North America, a global market leader in enterprise application software, with other previous roles including COO of its Global Customer Operations. Mr. Courteau has been an active board member of numerous North American not-for-profit organizations and has served on the boards of several publicly traded organizations. Mr. Courteau graduated from Concordia University with a Bachelor of Commerce degree and also holds an Honorary Doctorate of Laws degree from Concordia University.

Corporate Cease Trade Orders

Other than as set out below, none of our directors or executive officers has, within the 10 years prior to the date of this Annual Information Form, been a director, chief executive officer or chief financial officer of any company (including us) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation, in each case for a period of more than 30 consecutive days.

Ms. Denham was a member of the Board of Directors of Penn West Petroleum Ltd. from June 13, 2012 to June 23, 2016. Penn West Petroleum Ltd. was subject to a management cease trade order from the Alberta Securities Commission and a substantially similar cease trade order from the Ontario Securities Commission subsequent to the July 2014 announcement by Penn West Petroleum Ltd. of the review of some of its accounting practices and its decision to restate its financial statements. The cease trade orders terminated on September 23, 2014.

Bankruptcies

Other than as set out below, none of our directors or executive officers or shareholders holding a sufficient number of securities to materially affect control of Kinaxis has, within the 10 years prior to the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, been a director or executive officer of any 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 comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Giffen became a director of Syncapse Corp. ("**Syncapse**"), a private social media marketing management company, in May 2010 and resigned shortly before the appointment of a receiver in July 2013. The assets of Syncapse were subsequently sold under receivership.

Personal Bankruptcies

To the best of our knowledge, in the last 10 years, none of the nominees for election to the Board of Directors nor any personal holding company owned or controlled by any of them, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, has become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets or the assets of their holding companies.

Penalties or Sanctions

None of our directors or executive officers or, to the best of our knowledge, shareholders holding a sufficient number of securities to materially affect control of Kinaxis has: (i) been subject to 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) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

To the best of our knowledge, there are no known existing or potential conflicts of interest among us and our directors, officers or other members of management as a result of their outside business interests except that certain of our directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies.

AUDIT COMMITTEE

Composition of the Audit Committee

The Audit Committee currently consists of John (Ian) Giffen (Chair), Ronald Matricaria and Jill Denham. Each of the members of the Audit Committee is considered "independent" and "financially literate" within the meaning of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**").

For the purposes of NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues. The education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee can be found in the profile tables under "*Directors and Executive Officers*".

Our Board of Directors has adopted a written charter for the Audit Committee. The mandate of the Audit Committee is to assist our Board in fulfilling its financial oversight obligations, including the responsibility: (1) to oversee the integrity of our financial statements and financial reporting process, including the audit process and our internal accounting controls and procedures and compliance with related legal and regulatory requirements; (2) to oversee the qualifications and independence of our external auditor; (3) to oversee the work of our financial management and external auditor; and (4) to provide an open avenue of communication between the external auditors, our Board and our management.

Under its charter, the Audit Committee is required to pre-approve all non-audit services to be performed by the external auditors in relation to us, together with approval of the engagement letter for such non-audit services and estimated fees thereof. The pre-approval process for non-audit services will also involve a consideration of the potential impact of such services on the independence of the external auditors.

A copy of the charter of the Audit Committee is attached as Appendix A to this Annual Information Form.

Pre-Approval Policies and Procedures

Under its charter, the Audit Committee is required to pre-approve all non-audit services to be performed by the external auditors in relation to us, together with approval of the engagement letter for such non-audit services and estimated fees thereof. The pre-approval process for non-audit services will also involve a consideration of the potential impact of such services on the independence of the external auditors.

Auditor Fees

Fees billed by KPMG LLP to us in the years ended December 31, 2017 and December 31, 2016 were approximately \$302,787 and \$240,160, respectively, as detailed below.

	Year ended December 31, 2017	**Year ended December 31, 2016**
Audit fee	$ 280,750	$ 227,500
Audit-related fee	22,037	12,600
Tax fees	—	—
All other fees	—	—
Total	$ 302,787	$ 240,160

Audit fees − Fees billed by KPMG LLP were for professional services rendered for the audit and interim reviews of our financial statements.

Audit–related fees – Fees billed by KPMG LLP were for accounting advisory services in connection with the implementation of new accounting standards

Tax fees – Fees billed by KPMG LLP were for tax advice and tax compliance fees outside of the annual audit.

LEGAL MATTERS

Other than the confidential arbitration proceedings with an Asian-based customer as disclosed in our Management's Discussion and Analysis for the year ended December 31, 2017 dated February 28, 2018, our management is not aware of any existing or contemplated legal proceedings material to the Company to which it is a party or to which its property is subject.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To our knowledge, no director, executive officer or any person that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the Company's shares, or any of their respective associates or affiliates has any material interest, direct or indirect, in any transaction within the three years prior to the date of this Annual Information Form, or any proposed transaction, that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common shares is AST Trust Company (Canada) at its principal offices in Toronto, Ontario.

MATERIAL CONTRACTS

There are no material contracts, other than those contracts entered into in the ordinary course of business, which we have entered into since the beginning of the last financial year, or entered into prior to such date, but which are still in effect and which are required to be filed with Canadian securities regulatory authorities in accordance with Section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations.*

EXPERTS

Our annual consolidated financial statements as of December 31, 2017 and 2016 have been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report appearing herein, and have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

ADDITIONAL INFORMATION

Additional information relating to Kinaxis may be found on SEDAR at www.sedar.com and on the Company's website at www.Kinaxis.com. You can also obtain a copy of our audited consolidated financial statements and the management's discussion & analysis of the Company for the fiscal year ended December 31, 2017 by visiting the Investor Relations section on the Company's website at www.Kinaxis.com or by contacting Kinaxis' investor relations:

Rick Wadsworth, Vice President Investor Relations
rwadsworth@kinaxis.com or ir@kinaxis.com
(613) 592-5780 x7613

Additional information including directors' and executive officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's management information circular dated May11, 2017 for its annual meeting of shareholders held on June 15, 2017.

Additional financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2017.

APPENDIX A

KINAXIS INC.
(the "Corporation")

AUDIT COMMITTEE CHARTER

1. Policy Statement

It is the policy of the Corporation to establish and maintain an Audit Committee (the "Committee") to assist the directors (individually a "Director" and collectively the "Board") of the Corporation in carrying out the Board's oversight responsibility for the accounting, internal controls, financial reporting, audits of financial statements and risk management processes of the Corporation.

The Committee shall be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including appropriate administrative support. Without limiting the generality of the foregoing, the Corporation shall provide for appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for payment of: (a) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Corporation; (b) compensation to any advisers engaged by the Committee under section 4(c)(iii) of this charter; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

If determined appropriate by the Committee, it shall have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or other experts. The Committee shall have unrestricted access to the Corporation's external auditor, is authorized to seek any information that it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

2. Composition of Committee

(a) The Committee shall be established by a resolution of the Board. The Committee shall consist of a minimum of three (3) Directors. The Board shall appoint the members of the Committee and may seek the advice and assistance of the Nominating and Governance Committee in identifying qualified candidates. The Board shall appoint one member of the Committee to be the chair of the Committee (the "Chair").

(b) All of the members of the Committee shall be Directors who are independent within the meaning of National Instrument 52-110 – Audit Committees ("NI 52-110"), and the rules of any stock exchange or market on which the Corporation's shares are listed or posted for trading (collectively, "Applicable Governance Rules"). In this charter, the term "independent" includes the meanings given to similar terms by Applicable Governance Rules, including the terms "non-executive", "outside" and "unrelated" to the extent such terms are applicable under Applicable Governance Rules. No member of the Committee shall have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three (3) years.

(c) All members of the Committee must be able to read and understand fundamental financial statements (including a balance sheet, income statement and cash flow statement) and read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

(d) A Director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

3. **Meetings of the Committee**

(a) The Committee shall convene a minimum of four times each year at such times and places as may be determined by the Chair of the Committee, and whenever a meeting is requested by the Board, a member of the Committee, the external auditor or senior management of the Corporation. Scheduled meetings of the Committee shall correspond with the review of the quarterly and year-end financial statements and management discussion and analysis.

(b) Notice of each meeting of the Committee shall be given to each member of the Committee.

(c) Notice of a meeting of the Committee shall:

(i) be in writing, which includes electronic communication facilities;

(ii) state the nature of the business to be transacted at the meeting in reasonable detail;

(iii) to the extent practicable, be accompanied by a copy of any documentation to be considered at the meeting; and

(iv) be given at least two business days prior to the time stipulated for the meeting or such shorter period as a majority of members of the Committee may permit.

(d) A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee. However, it shall be the practice of the Committee to require review, and, if necessary, approval of all matters material to the Corporation's financial statements and/or its public disclosure by all members of the Committee.

(e) A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to communicate with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

(f) In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to chair the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.

(g) The Committee may invite such persons to attend meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this charter or by applicable laws.

(h) The Committee may invite the external auditor to be present at any meeting of the Committee and to comment on any financial statements, or on any of the financial aspects, of the Corporation, including its public disclosure.

(i) The Committee (i) shall meet with the external auditor separately from individuals other than the Committee; (ii) may meet separately with management of the Corporation; and (iii) may meet separately with internal or external legal counsel to the Corporation or to the Committee.

(j) Minutes shall be kept of all meetings of the Committee and shall be signed by the chair and the secretary of the meeting. The Chair of the Committee shall circulate the minutes of the meetings of the Committee to all members of the Board.

4. **Duties and Responsibilities of the Committee**

(a) The Committee, in its capacity as a committee of the Board, is directly responsible for recommending to the Board the public accounting firm to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation (the "external auditor") as well as the compensation of the external auditor. The Committee shall also be directly responsible for the oversight of the work of the external auditor (including, subject to the professional and legal obligations of the external auditor, as well as applicable law, the resolution of disagreements between management and the auditor regarding financial reporting), and each such external auditor must report directly to the Committee.

(b) Subject to the directors' statutory and common law duties, the other primary duties and responsibilities of the Committee are to:

(i) identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation;

(ii) monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;

(iii) monitor the independence, objectivity and performance of the external auditor, including, without limitation: (A) ensuring the Committee's receipt from the external auditor at least annually of a formal written statement delineating all relationships between the external auditor and the Corporation; (B) actively engaging in dialogue with the external auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor; and (C) taking, or recommending that the Board take, appropriate action to oversee the independence of the external auditor;

(iv) evaluate the performance of the external auditor at least annually;

(v) oversee and monitor the performance of the Corporation's internal auditor, if applicable;

(vi) deal directly with the external auditor to approve external audit plans, other services (if any) and fees;

(vii) directly oversee the external audit process and the results thereof (in addition to items described in subsection 4(e) below);

(viii) facilitate communication between the external auditor, management and the Board;

(ix) review annually with management of the Corporation the anti-fraud, anti-bribery, anti-corruption and risk assessment programs of the Corporation;

(x) carry out a review designed to ensure that an effective "whistle blowing" procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual; and

(xi) oversee all pension and retirement benefit plans if and when established.

(c) In addition to the rights the directors have pursuant to applicable laws, the Committee shall have the authority to:

(i) inspect any and all of the books and records of the Corporation and its subsidiaries;

(ii) discuss with the management of the Corporation and its subsidiaries, any affected party and the external auditor, such accounts, records and other matters as any member of the Committee considers appropriate;

(iii) engage independent counsel and other advisors as it determines necessary to carry out its duties; and

(iv) set and pay the compensation for any advisors engaged by the Committee.

Relationship with the Board

(d) The Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as considered appropriate.

Relationship with External Auditors

(e) Subject to the obligations under applicable laws of the external auditor, and based on the information provided to it by management and the external auditor, the Committee shall:

(i) review the audit plan with the external auditor and with management;

(ii) review with the external auditor the critical accounting policies and practices used by the Corporation, all alternative treatments of financial information within international financial reporting standards ("IFRS") that the external auditor have discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditor;

(iii) discuss with management and the external auditor any proposed changes in major accounting policies or principles, the presentation and impact of material risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;

(iv) review with management and with the external auditor material financial reporting issues arising during the most recent financial period and the resolution or proposed resolution of such issues;

(v) review any problems experienced or concerns expressed by the external auditor in performing any audit or review procedures, including any restrictions imposed by management or any material accounting issues on which there was a disagreement with management;

(vi) review with the external auditor any accounting adjustments that were noted or proposed by the independent auditor but that were "passed" (as immaterial or otherwise), the substance of any communications between the audit team and the external auditor's national office respecting auditing or accounting issues presented by the engagement, any "management" or "internal control" letter or schedule of unadjusted differences issued, or proposed to be issued, by the external auditor to the Corporation, any management representation letter signed by one or more representatives of management, or any other material written communication provided by the external auditor to the Corporation's management reflecting a disagreement between management and the external auditor on accounting or auditing issues;

(vii) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;

(viii) review and discuss with management and the external auditor any off-balance sheet transactions or structures and their effect on the Corporation's financial results and operations, as well as the disclosure regarding such transactions and structures in the Corporation's public filings;

(ix) review the audited annual financial statements (including management discussion and analysis) and related documents in conjunction with the report of the external auditor and obtain an explanation from management of all material variances between comparative reporting periods;

(x) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditor and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls and procedures for financial reporting of the Corporation and subsequent follow-up to any identified weaknesses;

(xi) review with financial management and the external auditor the quarterly unaudited financial statements and management discussion and analysis before release to the public;

(xii) periodically meet separately with management and with the external auditor;

(xiii) oversee the financial affairs of the Corporation and its subsidiaries, and, if deemed appropriate, make recommendations to the Board, external auditor or management;

(xiv) to the extent it is not otherwise prohibited by law, discuss with management and the external auditor any correspondence with regulatory or governmental agencies that raise material issues regarding the Corporation's financial statements or accounting policies;

(xv) consider the recommendations of management in respect of the appointment and terms of engagement of the external auditor;

(xvi) pre-approve all audit and non-audit services to be provided to the Corporation or its subsidiaries by its external auditor, or the external auditor of subsidiaries of the Corporation, subject to the overriding principle that the external auditor not be permitted to be retained by the Corporation to perform internal audit outsourcing services or financial information systems services; provided that notwithstanding the above, the foregoing pre-approval of non-audit services may be delegated to a member of the Committee, with any decisions of the member with the delegated authority reporting to the Committee at the next scheduled meeting;

(xvii) approve the engagement letter for non-audit services to be provided by the external auditor or affiliates thereof together with estimated fees, and consider the potential impact of such services on the independence of the external auditor;

(xviii) when there is to be a change of external auditor, review all issues and provide documentation related to the change that is to be provided by the Corporation under applicable law, including the information to be included in the notice of change of auditor and documentation required pursuant to the then current legislation, rules, policies and instruments of applicable regulatory authorities and the planned steps for an orderly transition period; and

(xix) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable laws, on a routine basis, whether or not there is to be a change of the external auditor.

(f) In connection with the public disclosure of financial information and other public disclosure, the Committee shall:

(i) review the Corporation's annual and interim financial statements, MD&A and annual and interim profit or loss press releases before the Corporation publicly discloses this information;

(ii) review with management its evaluation of the Corporation’s procedures and controls designed to assure that information required to be disclosed in the Corporation’s periodic public reports is recorded, processed, summarized and reported in such reports within the time periods specified by applicable securities laws for the filing of such reports (“Disclosure Controls”), and consider whether any changes are appropriate in light of management’s evaluation of the effectiveness of such Disclosure Controls;

(iii) establish a policy, which may include delegation to an appropriate member or members of management, for release of earnings press releases as well as for the release of financial information and earnings guidance provided to analysts and rating agencies;

(iv) satisfy itself that adequate procedures are in place for the review of the Corporation's public information extracted from the Corporation's financial statements, other than the public information reviewed in accordance with section 4(f)(i), and periodically assess the adequacy of those procedures;

(v) to the extent deemed appropriate, review and supervise the preparation by management of:

A. the annual information forms, management information circulars and annual and interim financial statements of the Corporation and any other information of the Corporation filed by the Corporation with the applicable securities regulators;

B. press releases of the Corporation containing financial information, earnings guidance, forward-looking statements, information about operations or any other material information;

C. correspondence broadly disseminated to shareholders of the Corporation; and

D. other relevant written and oral communications or presentations;

(vi) before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management discussion and analysis and press releases, focusing particularly on:

A. any changes in accounting policies and practices;

B. any material areas where judgment must be exercised;

C. material adjustments resulting from the audit;

D. the going concern assumption, if any;

E. compliance with accounting standards; and

F. subject to the advice of internal or external legal counsel, compliance with stock exchange and legal requirements;

(g) The Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters which are directed to the Committee by any member of the Board, a shareholder of the Corporation, the external auditor or senior management.

(h) The Committee shall periodically review with management the need for an internal audit function.

(i) The Committee shall review the accounting and reporting of costs, liabilities and contingencies of the Corporation.

(j) The Committee shall periodically discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.

(k) The Committee shall establish, monitor and review policies and procedures for internal accounting, financial control and management information.

(l) The Committee shall periodically discuss with management the Corporation's process for performing its quarterly certifications pursuant to Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.

(m) The Committee shall review with the Chief Executive and Chief Financial Officer of the Corporation any report on significant deficiencies in the design or operation of the internal controls that could adversely affect the Corporation's ability to record, process, summarize or report financial data, any material weaknesses in internal controls identified to the auditor, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls.

(n) The Committee shall establish and maintain procedures for:

    (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;

    (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and

    (iii) reviewing arrangements by which staff of the Corporation may, in confidence, raise concerns about possible improprieties in matters of financial reporting and ensuring that arrangements are in place for proportionate and independent investigation and follow-up action.

(o) At each meeting of the Committee, the Committee shall review any complaints or concerns of employees of the Corporation regarding accounting, internal accounting controls, or auditing matters relating to the Corporation and violations of the Code of Business Conduct and Ethics of the Corporation, any Anti-Bribery and Anti-Corruption Policy of the Corporation and of any applicable law, rule or regulation and shall follow the procedures established under the Whistleblower Policy regarding such concerns and complaints.

(p) The Committee shall review all related party transactions and discuss the business rationale for these transactions and determine whether appropriate disclosures have been made. For this purpose, the term "related party transactions" includes any "material transaction" required to be disclosed under Item 13 of Form 51-102F2 under National Instrument 51-102 - Continuous Disclosure Obligations**.**

(q) The Committee shall review the Corporation's compliance and ethics programs, including consideration of legal and regulatory requirements, and shall review with management its periodic evaluation of the effectiveness of such programs.

(r) The Committee shall, in consultation with the Nominating and Governance Committee, review the Corporation's Code of Business Conduct and Ethics and programs that management has established to monitor compliance with such code, and periodically, after consultation with the Nominating and Governance Committee, make recommendations to the Board regarding the Corporation's Code of Business Conduct and Ethics that the Committee shall deem appropriate.

(s) The Committee shall periodically review any Anti-Bribery and Anti-Corruption Policy of the Corporation that is established and make recommendations to the Board regarding such policy that the Committee shall deem appropriate.

(t) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.

(u) The Committee shall receive any reports from legal counsel of evidence of a material violation of securities laws or breaches of fiduciary duty by the Corporation.

(v) The Committee shall review with the Corporation's legal counsel, on no less than an annual basis, any legal matter that could have a material impact on the Corporation's financial statements and any enquiries received from regulators or government agencies.

(w) The Committee shall assess, on an annual basis, the adequacy of this charter and the performance of the Committee.

Approved by the Directors on May 4, 2016.