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we are

REKO

INTERNATIONAL GROUP INC.

REKO INTERNATIONAL GROUP INC.
2014 PROXY CIRCULAR

REKO INTERNATIONAL GROUP INC.

469 Silver Creek Industrial Drive
Lakeshore, Ontario
N8N 4W2

NOTICE OF ANNUAL GENERAL MEETING

December 4, 2014

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the holders of the Common Shares of REKO INTERNATIONAL GROUP INC. (the "Company") will be held at the Torino Restaurant & Banquet Hall, 12049 Tecumseh Road, Tecumseh, ON N8N 1M1, Canada on Thursday, December 4, 2014 at 3:00 p.m. (E.S.T.) for the following purposes:

- (1) to receive and approve the consolidated financial statements of the Company for the year ended July 31, 2014 and the report of the auditors thereon;
- (2) to elect the Directors of the Company to hold office until their successors are elected or appointed at the next Annual General Meeting of the Company;
- (3) to appoint the auditors of the Company to hold office until the close of the next Annual General Meeting of the Company and to authorize the Directors to fix the remuneration to be paid to the auditors; and
- (4) to transact such other business as may properly be brought before the Meeting, or any adjournment thereof.

Shareholders who are unable to attend the meeting in person are requested to sign and date the form of proxy mailed to them and return it in the manner explained in the instructions on such form for use at the meeting.

DATED at Lakeshore, Ontario, this 16th day of October, 2014

By order of the Board of Directors

"Diane Reko, B.COMM"
CHIEF EXECUTIVE OFFICER



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REKO INTERNATIONAL GROUP INC.

INFORMATION CIRCULAR

Dated as of October 16, 2014

SOLICITATION OF PROXIES

THIS INFORMATION CIRCULAR (THIS “CIRCULAR”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF REKO INTERNATIONAL GROUP INC. (THE “COMPANY” OR “REKO”) FOR USE AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY TO BE HELD AT THE TORINO RESTAURANT & BANQUET HALL, 12049 TECUMSEH ROAD, TECUMSEH, ON N8N 1M1, CANADA ON THURSDAY, DECEMBER 4, 2014 AT 3:00 P.M. (E.S.T.) AND ANY ADJOURNMENT THEREOF (THE “MEETING”). THE SOLICITATION WILL BE BY MAIL BY MANAGEMENT OF THE COMPANY AND ITS COST WILL BE BORNE BY THE COMPANY.

NOTICE AND ACCESS

On November 29, 2012, Canadian Securities Administrators published notice that they were adopting amendments to National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer and to National Instrument 51-102 – Continuous Disclosure Obligations. These amendments, among other things, provide issuers with the option of using “Notice and Access” to deliver meeting materials, including this Circular, electronically by providing shareholders with a notice (the “Notice”) of their availability and access to such materials online.

The Company adopted Notice and Access in the prior year because it allows for the reduction of printed paper materials, reduced costs associated with shareholder meetings and provides information to shareholders on a timelier basis. Instead of mailing meeting materials to shareholders, the Company posted this Circular on its website, www.rekointl.com/disclosure under the “Investor Relations” tab, in addition to the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com. The Company sent the Notice and a form of proxy to all shareholders informing them that this Circular is available on-line and explaining how this Circular may be accessed. The Company set the Record Date (as hereinafter defined) at least 40 days before the Meeting and also filed a form of notification of the Record Date and the meeting date on SEDAR at least 25 days before the Record Date.

For the Meeting, the Company is using Notice and Access for both registered and non-registered shareholders. Neither registered nor non-registered shareholders will receive a paper copy of this Circular unless they contact the Company after it is posted, in which case the Company will mail this Circular within three business days of any request provided the request is made PRIOR to the Meeting. The Notice provides an explanation of how to obtain a paper copy of this Circular. The Company must receive your request prior to 5:00 p.m. EST on November 24, 2014 to ensure you will receive paper copies in advance of the deadline to submit your vote.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the mailed form of proxy are Directors and/or Officers the Company.

AS A SHAREHOLDER OF THE COMPANY, YOU HAVE THE RIGHT TO APPOINT A PERSON OR A COMPANY OTHER THAN THE PERSONS NAMED IN THE MAILED FORM OF PROXY TO ATTEND THE MEETING AND ACT AS YOUR PROXY HOLDER. IF YOU DO NOT WANT TO APPOINT THE PERSON NAMED IN THE MAILED FORM OF PROXY, YOU SHOULD INSERT, IN THE BLANK SPACE PROVIDED, THE NAME AND ADDRESS OF THE PERSON OR COMPANY WHOM YOU WISH TO APPOINT AS PROXY HOLDER. THAT PERSON OR COMPANY NEED NOT BE A SHAREHOLDER OF THE COMPANY.

You may indicate the manner in which your appointee is to vote or withhold from voting with respect to any specific item by checking the appropriate space on the mailed form of proxy. If you wish to confer discretionary authority with respect to any item of business then the space opposite the item is to be left blank. The common shares in the capital of the Company (the “Common Shares”) represented by your proxy will be voted in accordance with your directions.

If you have given a proxy, you may later revoke it by:

- (a) signing a proxy bearing a later date and depositing it as provided under “Deposit of Proxy”, below;
- (b) signing and dating a written notice of revocation (in same manner as the mailed form of proxy is required to be executed, as set out under “Validity of Proxy”, below) and faxing it to the office of Canadian Stock Transfer Company Inc., Att: Proxy Department, Box 721, Agincourt, Ontario, M1S 0A1 at 416-368-2502; or delivering it in person, or by mail, to the registered office of the Company, Att: Corporate Secretary, 469 Silver Creek Industrial Drive, Lakeshore, Ontario, N8N 4W2, or via fax to the registered office of the Company, Att: Corporate Secretary, at (519) 727-6681, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or to the Chair of the Meeting on the day of the Meeting; or
- (c) in any other manner provided by law. Such revocation will have effect only in respect of those matters upon which a vote has not already been cast pursuant to the authority conferred by the proxy.

PROXY INSTRUCTIONS

A PROXY IN THE FORM OF THE MAILED PROXY WILL CONFER DISCRETIONARY AUTHORITY UPON A PROXY HOLDER NAMED THEREIN WITH RESPECT TO THE MATTER IDENTIFIED IN THE MAILED NOTICE OF THE MEETING, AND WITH RESPECT TO AMENDMENTS AND VARIATIONS THERETO AND ANY OTHER MATTERS THAT MAY PROPERLY BE BROUGHT BEFORE THE MEETING, OR ANY ADJOURNMENT THEREOF.

Your shares represented by proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called for. If you have specified with certainty a choice with respect to any matter to be acted upon, your shares will be voted accordingly.

IF YOU DO NOT PROVIDE VOTING INSTRUCTIONS AS SPECIFIED ABOVE, YOUR SHARES REPRESENTED BY THE PROXY WILL BE VOTED AS RECOMMENDED BY MANAGEMENT.

Validity of proxy

Your proxy will not be valid unless it is dated and signed by you or by your attorney duly authorized in writing. In the case of a shareholder who is a company, a proxy will not be valid unless it is executed under its seal or by a duly authorized officer or agent of, or attorney for, such corporate shareholder. If an attorney or agent for an individual shareholder or joint shareholders executes a proxy by an officer, attorney, or other authority for a corporate shareholder, the instrument empowering the attorney, officer or agent, as the case may be, or a notarial copy thereof, should accompany the proxy.

Deposit of proxy

In order to be valid and effective, proxies must be delivered either by mail to Canadian Stock Transfer Company Inc., Att: Proxy Dept., P.O. Box 721, Agincourt, Ontario M1S 0A1, by no later than 3:00 p.m. (E.S.T.) on December 2, 2014, or delivered to the Chair of the Meeting prior to the commencement of the Meeting.

All non-registered shareholders who receive these materials through a broker or other intermediary should complete and return the materials in accordance with the instructions provided by such broker or other intermediary.

Amendments or variations and other matters

The management of the Company is not aware of any amendments to, or variations of, any of the matters identified in the mailed Notice or any other matter that may be brought before the Meeting. However, a proxy in the form of the mailed form will confer discretionary authority upon a proxy holder named therein to vote on any amendments to, or variations of, any of the matters identified in the mailed notice in addition to any other matter, which may properly be brought before the Meeting, or any adjournment thereof.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON AND MATERIAL TRANSACTIONS

No director or executive officer of the Company at any time since the beginning of the Company's last completed financial year, no proposed nominee for election as a director nor any associate or affiliate of any such director, executive officer or nominee, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

No informed person (as such term is defined under applicable securities laws) of the Company, proposed nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director nominee has or had a material interest, direct or indirect, in any transaction since the beginning of the Company's last financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries or affiliates.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

The Company is authorized to issue an unlimited number of Common Shares of which there are 6,429,920 issued and outstanding. Holders of Common Shares are entitled to one vote for each Common Share held. Holders of Common Shares of record at the close of business on October 16th, 2014 (the "Record Date"), are entitled to receive notice of and to vote at the Meeting.

The Reko Family Corporation, which is owned or controlled by Shirley Reko and/or trusts of which the beneficiaries are Shirley Reko and her children (one of whom is Diane Reko, the CEO and Board Chair of Reko International Group Inc.) beneficially own 3,032,123 Common Shares. Shirley Reko also beneficially owns an additional 296,007 Common Shares, which together with the Common Shares referred to in the immediately preceding sentence represent approximately 51.8% of the issued and outstanding Common Shares. To the knowledge of the directors and officers of the Company, no other person beneficially owns, or exercises control or direction over 10% or more of the outstanding Common Shares.

SHARE OWNERSHIP BY DIRECTORS, OFFICERS AND THE REKO FAMILY CORPORATION

All of Reko's proposed directors, officers and, direct and indirect shareholders of The Reko Family Corporation own beneficially or exercise control or direction over 4,087,790 Common Shares or approximately 63.6% of the Common Shares.

INFORMATION INCORPORATED BY REFERENCE AND ADDITIONAL INFORMATION

This document is available on www.sedar.com, along with all other documents incorporated by reference in this Circular. Upon written request by any shareholder, the Company will provide such shareholder with a copy of these documents, free of charge, by writing: Reko International Group Inc., Att: Investor Relations, 469 Silver Creek Industrial Drive, Lakeshore, Ontario, N8N 4W2.

Additional information relating to the Company also may be found at www.sedar.com. Financial information is provided in the Company's consolidated financial statements and MD&A for 2014.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial statements

Management, on behalf of the Board of Directors of Reko (the "Board"), will submit to Reko shareholders at the Meeting its Consolidated Financial Statements for the fiscal year ended July 31, 2014, together with the Independent Auditors' report thereon.

2. Election of Directors


The Company's articles of incorporation provide that the Board will consist of between three (3) and ten (10) directors. While shareholder approval is required to fix the number of directors outside this range, the Board is authorized to fix the number of directors within this range. In the current year, the Board is recommending four (4) directors for election at the Meeting, consistent with the prior year. All three independent (for the purposes of this Circular, a director is independent if he or she would be independent within the meaning of sections 1.4 and 1.5 of National Instrument 51-110 – Audit Committees, hereinafter, "Independent") directors serve as both Audit Committee and Compensation Committee members. The directors of the Company are elected each year at the Annual General Meeting of the Company and hold office until their successors are elected or appointed. The management of the Company and the persons named in the mailed form of proxy intend to vote for the election of the nominees set out below. Each nominee is presently a director of the Company. Each director elected will hold office until the next Annual General Meeting of the Company unless he/she sooner ceases to hold office. Should such a vacancy occur between Annual General Meetings, the vacancy may be filled by the Board appointing a director to serve until the next Annual General Meeting.

Independence

The four (4) nominees standing for election as directors of the Company at the Meeting are set forth below. Three (3) of the nominees (75%) are Independent directors, while the remaining director is a member of management (25%).

Proposed nominees

The following table sets forth information with respect to each of the nominees for director, including a brief biography, date first elected or appointed as a director of the Company, Board and Committee attendance, Board compensation in the last year, the number of Reko securities beneficially owned, controlled or directed, indirectly or directly by each nominee and the total value of the securities as at the Record Date, as well as other public company boards on which the nominee currently serves or has recently served. None of these nominees serve together on the boards of other public companies.




Ms. Reko is the Chair of the Board, Chief Executive Officer and Secretary/Treasurer. She was appointed Chair and Chief Executive Officer on December 23, 2007. Ms. Reko was appointed Secretary/Treasurer on November 21, 1984. Ms. Reko's areas of expertise include the automotive industry, financial accounting and management.

DIANE REKO, <i>Lakeshore, Ontario, Canada</i>	BOARD & COMMITTEES	ATTENDANCE	SECURITIES OWNED, CONTROLLED OR DIRECTED
DIRECTOR SINCE: <i>1984</i>	Board ⁽¹⁾	4 of 4	100%
	Strategic Planning	1 of 1	100%
	Annual General	1 of 1	100%
INDEPENDENT DIRECTOR: <i>No</i>	(1) - Chair		
	OTHER PUBLIC COMPANY BOARDS/COMMITTEES		
			SECURITIES OWNED, CONTROLLED OR DIRECTED
			Common shares (178,035 shares) ⁽²⁾
			Stock options (5,000 options)
			TOTAL VALUE OF SECURITIES
			\$ 345,936
			BOARD COMPENSATION ⁽³⁾
			Annual fee
			\$ --
			Meeting fee
			--
			TOTAL BOARD COMPENSATION
			\$ --

(2) - Does not include 3,032,123 common shares held by Reko Family Corporation, of which Ms. Reko is a director and officer, and a daughter of the controlling shareholder.


(3) - Effective 2012, Ms. Reko is no longer paid meeting fees due to her role as an officer of the Company.



Dr. Szonyi is President of Andrew J. Szonyi & Associates Inc. He is a Licensed Professional Engineer and earned a PhD in engineering, an MBA and GPLLM, all from the University of Toronto. Dr. Szonyi's areas of expertise include the automotive industry, finance and business management, and he has served on the Boards of several public and private corporations in Canada and overseas.


DR. ANDREW J. SZONYI, <i>Toronto, Ontario, Canada</i>	BOARD & COMMITTEES	ATTENDANCE	SECURITIES OWNED, CONTROLLED OR DIRECTED
DIRECTOR SINCE: <i>1996</i>	Board ⁽¹⁾	4 of 4	100%
	Audit ⁽²⁾	4 of 4	100%
	Compensation ⁽²⁾	1 of 1	100%
INDEPENDENT DIRECTOR: <i>Yes</i>	Strategic Planning	1 of 1	100%
	Annual General	1 of 1	100%
	(1) - Lead Director		
	(2) - Chair		
	OTHER PUBLIC COMPANY BOARDS/COMMITTEES		
			SECURITIES OWNED, CONTROLLED OR DIRECTED
			Common shares (18,860 shares)
			Stock options (5,000 options)
			TOTAL VALUE OF SECURITIES
			\$ 45,095
			BOARD COMPENSATION
			Annual fee
			\$ 18,000
			Meeting fee
			11,800
			TOTAL BOARD COMPENSATION
			\$ 29,800
			OTHER PUBLIC COMPANY BOARDS/COMMITTEES
			Clearford Industries Inc. (TSX Venture) - Audit Chair and Lead Director

Unless a shareholder instructs otherwise, the Reko officer whose name has been pre-printed on the form of proxy intends to vote FOR the nominees listed below. If for any reason a nominee becomes unable to stand for election as a director of Reko or if management proposes any additional nominees for election as directors, the Reko officer whose name has been pre-printed on the form of proxy intends to vote for any substitute or additional nominee proposed by management.



Mr. Sartz is the President of Viking Capital Corp. Mr. Sartz's areas of expertise include financial accounting, finance and corporate finance.

JOHN SARTZ, <i>Ajax, Ontario, Canada</i>	BOARD & COMMITTEES	ATTENDANCE	SECURITIES OWNED, CONTROLLED OR DIRECTED
DIRECTOR SINCE: <i>1996</i>	Board	3 of 4	75%
	Audit	3 of 4	75%
	Compensation	1 of 1	100%
INDEPENDENT DIRECTOR: <i>Yes</i>	Strategic Planning	1 of 1	100%
	Annual General	1 of 1	100%
	OTHER PUBLIC COMPANY BOARDS/COMMITTEES		
			SECURITIES OWNED, CONTROLLED OR DIRECTED
			Common shares (26,100 shares)
			Stock options (5,000 options)
			TOTAL VALUE OF SECURITIES
			\$ 58,779
			BOARD COMPENSATION
			Annual fee
			\$ 12,000
			Meeting fee
			9,600
			TOTAL BOARD COMPENSATION
			\$ 21,600



Mr. Neufeld is the Chief Executive Officer and Director of Aphria Inc. Mr. Neufeld is a Chartered Professional Accountant and formerly a Partner at Ernst & Young LLP. He currently sits on the board of Enwin Utilities Ltd., the local energy provider. Mr. Neufeld's areas of expertise include financial accounting, manufacturing, distribution and management.

VICTOR NEUFELD, <i>Lakeshore, Ontario, Canada</i>	BOARD & COMMITTEES	ATTENDANCE	SECURITIES OWNED, CONTROLLED OR DIRECTED
DIRECTOR SINCE: <i>2004</i>	Board	4 of 4	100%
	Audit Committee	4 of 4	100%
	Compensation	1 of 1	100%
INDEPENDENT DIRECTOR: <i>Yes</i>	Strategic Planning	1 of 1	100%
	Annual General	0 of 1	0%
	OTHER PUBLIC COMPANY BOARDS/COMMITTEES		
			SECURITIES OWNED, CONTROLLED OR DIRECTED
			Common shares (8,000 shares)
			Stock options (5,000 options)
			TOTAL VALUE OF SECURITIES
			\$ 24,570
			BOARD COMPENSATION
			Annual fee
			\$ 12,000
			Meeting fee
			11,800
			TOTAL BOARD COMPENSATION
			\$ 23,800
			OTHER PUBLIC COMPANY BOARDS/COMMITTEES
			Aphria Inc. - CEO and Director

NOTES:

1. None of the nominee directors:
 - a. is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or chief executive officer or chief financial officer of any company (including the Company) that, while that person was acting in that capacity:
 - i. was the subject of an order (as defined in National Instrument 51-102F2) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - ii. was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer; or
 - b. is at the date hereof, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
 - c. has, within 10 years before this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.
2. Information that is not within the knowledge of the Company, related to cease trade orders, bankruptcies, Common Shares and Stock Options beneficially owned by the nominee directors or over which they exercise control or direction, has been furnished by the nominee directors.
3. In calculating the total value of securities, we have used the closing price of Reko common shares on the TSX Venture Exchange ("TSXV") on the Record Date (\$1.89). In valuing stock options for purposes of calculating the total value of securities, we have included only the in-the-money amount calculated based on the closing price of Reko common shares on the Record Date.

3. Appointment of Independent Auditor

Based on the recommendations of the Audit Committee, the directors propose to appoint PricewaterhouseCoopers LLP as Reko's Independent Auditor and authorize the Audit Committee to fix the Independent Auditor's remuneration. PricewaterhouseCoopers LLP has been Reko's independent auditor since 2010.

Representatives of PricewaterhouseCoopers LLP are expected to attend the Meeting, will have the opportunity to make a statement, if they so desire, and are expected to be available to respond to appropriate questions. Refer to "Audit Committee Report" below for a summary of fees paid to PricewaterhouseCoopers LLP in respect of 2014 and 2013.



The Board is committed to fostering a healthy governance culture at the Company. The Company believes that a healthy governance culture requires that directors be informed of both internal corporate and external developments that may affect the business and affairs of the Company and that an atmosphere of open communication, trust, candour, healthy debate and even constructive dissent be part of the corporate decision making and directorial oversight process. Directors have statutory and fiduciary obligations to act honestly and in good faith with a view to the best interests of the Company. They also have a duty of care in making decisions, including being properly informed so they can perform the tasks their position entails. The Board demands that these standards are met by its members at all times.

The Board's authority is exercised in accordance with:

- (i) the Business Corporations Act (Ontario);
- (ii) the Company's articles of incorporation and by-laws;
- (iii) the Company's Code of Conduct (the "Code of Conduct");
- (iv) the charters of the Board and the Board committees; and,
- (v) other applicable laws and regulations including those imposed on the Company by the Canadian Securities Administrators ("CSA") and the TSX Venture Exchange (on which the Company's Common Shares are listed).

The Board approves all material decisions that affect the Company and its subsidiaries before they are implemented. The Board delegates to management the authority and responsibility for the day-to-day affairs of the Company and reviews management's performance. The Board expects management to manage the Company in a manner that enhances shareholder value, is consistent with the highest level of integrity and is compliant with applicable law.

In April 2005, the Ontario Securities Commission ("OSC") adopted National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101") and Companion Policy 58-201CP – Corporate Governance Guidelines ("58-201CP", together with 58-101, the "CSA Guidelines"), providing corporate governance "best practices". In June 2005, the OSC issued Amendments to what is now National Instrument 52-110 – Audit Committees ("NI 52-110") which introduced new standards for the composition of Audit Committees, as well as additional disclosure standards in respect of Audit Committees. In accordance with the requirements of NI 58-101, additional corporate governance disclosure is set out in the attached Appendix A. The CSA Guidelines as well as the evolving best practices in corporate governance, including the amendments to NI 52-110, are considered by the Board in the context of the Company's objectives in order to implement the most effective corporate governance policies and practices for the Company. The Company applies the standards set out in the CSA Guidelines, with a view to apprising investors of the Company's "best practices" approach to responsible corporate governance.

The Company has established that three of the four directors (all but Ms. Reko) are Independent since they have no material relationship with the Issuer.

The Company is also subject to the requirements of Canadian provincial securities legislation, including those relating to the certification of financial and other information by the Company's principal executive officer and principal financial officer; oversight of the Company's external auditors; enhanced independence criteria for audit committee members; the pre-approval of permissible non-audit services to be performed by the Company's external auditors; and the establishment of procedures for the anonymous submission of employee complaints regarding the Company's accounting practices (commonly known as whistleblower procedures). In its consideration of evolving best practices in corporate governance matters, over the past several years among other matters discussed below, the Company has

- (i) adopted the Code of Conduct;
- (ii) established a confidential procedure for the anonymous submission to the Audit Committee of employee complaints regarding the Company's accounting practices;
- (iii) established policies and procedures for audit committee pre-approval of services provided by the independent auditor;
- (iv) amended and updated the charter for the Audit Committee, which prescribes its mandate;
- (v) updated the charter for the Compensation Committee; and,
- (vi) established a Lead Director position (as discussed Appendix D).

Board committees

The Board has established two standing committees of directors: the Compensation Committee and the Audit Committee. The Board has established a charter for each committee. From time to time, special committees of the Board may be appointed to consider special issues, in particular, any issues that may involve related party transactions.

Compensation Committee

The members of the Compensation Committee for the fiscal year ended July 31, 2014 were, and are currently, Andrew Szonyi (Chair), John Sartz and Victor Neufeld, all of whom are Independent.

The Board believes that the members of the Compensation Committee are qualified to fulfill the duties of the Compensation Committee due to their experience and direct involvement in executive compensation decisions. The members of the Compensation Committee have an understanding of executive compensation, including the underlying policies and principles and relevant market practices required for decisions about executive compensation. This knowledge is as a result of the experience of the Compensation Committee members as senior executives, including in many cases, having ultimate responsibility for human resources and compensation. The Compensation

Committee members have experience in top leadership roles (all three are Presidents/Chief Executive Officers in their current roles), a mix of functional experience and competency, and tenures as directors of public companies. This understanding has also been garnered through their service on the Compensation Committee (Mr. Neufeld for 9 years, and Mr. Sartz and Mr. Szonyi for 3 years).

The Compensation Committee oversees the overall corporate policy with respect to compensation and benefits and makes recommendations to the Board on, among other things, the compensation of senior management and the directors. In assessing compensation issues, the Compensation Committee reviews and examines in detail the performance of senior management.

The Compensation Committee periodically considers the compensation of directors and senior management, and the Compensation Committee brings the resulting suggestions to the Board for its consideration. The Board and the Compensation Committee have considered appropriate compensation levels and mechanisms in view of recent economic developments. The Compensation Committee Charter is attached as Appendix B.

Audit Committee

The Audit Committee is composed of directors that are Independent. The Company believes the oversight responsibility of the Audit Committee provides a key stewardship role for the Audit Committee in the Company's financial disclosure issues, internal controls, risk management, corporate finance and related matters. Disclosure related to the Audit Committee is attached as Appendix C.

In reviewing the audited financial statements of the Company, the Committee discusses the quality, not just acceptability, of the accounting principles, the reasonableness of significant judgements, and the clarity of disclosure in the financial statements. In addition, the Audit Committee discusses with the Company's auditors the overall scope and plans for their audit. The Audit Committee meets with the auditors with and without management present, to discuss the results of their examination and the overall quality of the Company's financial reporting. The Audit Committee also carefully reviews evolving audit committee regulations and best practices to ensure corporate alignment with the spirit and intent of such regulations and practices.

Chief Executive Officer performance

On an annual basis, the Company circulates a proposed strategic plan and budgets which are discussed and, if appropriate, adopted by the Board. These form the basis of the corporate objectives which the Chief Executive Officer is responsible for meeting. The Compensation Committee assesses management's performance and reviews its compensation, as discussed below.

Shareholder feedback and communication

The Company views its shareholders and investors as owners and partners, and senior executives – the Chief Executive Officer and the Chief Financial Officer – are committed to being accessible. They comprise the Company's Disclosure Committee, and monitor all communications consistently

and coherently. The Company also communicates regularly with its shareholders through annual and quarterly reports. At the Company's Annual General Meeting of shareholders, a full opportunity is afforded for shareholders to ask questions concerning the Company's business. Each shareholder and investor inquiry receives a prompt response from an appropriate officer of the Company. Information about the Company, including annual reports and interim financial reports, is also available on the Company's website at www.rekointl.com and at www.sedar.com. In addition, the Company provides the opportunity for investors to pose questions of senior executives, including the Chief Executive Officer and the Chief Financial Officer through email to the Company's website.

Board of Directors' expectations of management

Management is responsible for the day-to-day operations of the Company and is expected to implement approved strategic business plans and initiatives within the context of authorized budgets and corporate policies and procedures. The information which management provides to the Board is critical. Management is expected to report regularly to the Board in a comprehensive, accurate and timely fashion on the business and affairs of the Company. The Board monitors the nature of the information requested by and provided to it so that it can effectively identify issues and opportunities for the Company. The Chair of the Board oversees the operation of the Board in a manner that ensures the Board can be adequately informed and can be an effective monitor.

At the same time, the Board recognizes that the operations of the Company, its strategies and ultimately, its success, will depend on management being successful. The Board's job is to monitor and supervise, not to manage and operate the business, and it does not do so.

Code of Conduct

In January 2009, the Company approved the Code of Conduct in light of its continued commitment to honesty and integrity in the conduct of its business. The Code of Conduct applies to all its employees. In addition, all senior executives, divisional managers, sales representatives, program managers and members of the finance, human resources, purchasing and IT departments must disclose annually their compliance with the Code of Conduct for the previous year and provide written confirmation of their intention of compliance for the upcoming year.



The amount and form of director compensation is reviewed on a periodic basis by the Compensation Committee. Effective October 9, 2013, the schedule of retainer and fees payable to non-executive directors during 2014 and 2013 was:

DESCRIPTION OF BOARD COMPENSATION	2014	2013
Annual fee (except for Chair of Audit Committee) - payable in cash	\$ 12,000	\$ 10,000
Annual fee - Chair of the Audit Committee - payable in cash	\$ 18,000	\$ 15,000
Per meeting fee - Quarterly meetings (Board, Audit & Compensation combined)	\$ 2,200	\$ 1,750
Per meeting fee -Strategic Planning and Annual General Meeting (each)	\$ 1,000	\$ 750

DIRECTORS' COMPENSATION

The intended goals of the Company's director compensation strategy are to ensure strong corporate governance and to promote and support director independence, while regularly evaluating and implementing best practices.

In order to achieve a balance of interest alignment and independence, compensation of directors has been both a combination of annual retainers, meeting fees, travel expenses associated with attending meetings, and the grant of options.

The annual retainer amounts have been established to constitute the majority of the directors' total compensation from the Company in order to promote independence and objectivity. The factors which have influenced the level of these retainers are as follows: the relatively small size of the company; the experience and knowledge of the directors and the fact that perquisites and special entitlements have never been a part of the Company's director compensation plan. Acknowledging the additional time demands of the Committee Chair and Lead Director, the retainer for this position is at a higher level than that of other board members.

The meeting amounts have been recently revised to reflect the efficiency gained from a smaller board, and from the ability to hold committee meetings in continuity on the same day. These amounts are also intended to appropriately compensate experienced directors for the time that they spend at the Company.

Options granted to non- executive directors have a five-year term, but are exercisable immediately. Since the term of each director expires at each Annual Meeting, the lack of vesting period on the options should reduce the risk of lost compensation, should a director proactively challenge management or other board members and subsequently not be asked to stand for re-election. The Compensation Committee is currently researching the requirements for granting more restricted options for members of management and may implement such grants for the board of directors at some point in the future. The decision to grant options is currently based upon a desire to balance the independence of the Board with the desire to align their interests with those of shareholders. Option grants have generally been made in equal quantities to all directors and in conjunction with grants to management and employees. These grants to directors have intentionally not been based

upon the operating performance of the company, as this could potentially impair objectivity and potentially compromise the goal setting process used for executive compensation.

While there is no requirement for board members to own shares, all of them are currently shareholders. The Compensation Committee will examine this issue to see if a formal requirement is merited.

The Board may award special remuneration to any director undertaking any special services on the Company's behalf other than services ordinarily required by a director. From time to time, options may be granted to directors as indicated under the Stock Option Plan (as hereinafter defined). Directors are also reimbursed for transportation and other expenses incurred for attendance at Board and committee meetings.

DIRECTORS' COMPENSATION

FINANCIAL YEAR ENDED JULY 31, 2014

NAME	YEAR	FEES EARNED	SHARE-BASED AWARDS	OPTION-BASED AWARDS	NON-EQUITY INCENTIVE PLAN COMPENSATION ⁽¹⁾	PENSION VALUE	ALL OTHER COMPENSATION	TOTAL COMPENSATION
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Andrew Szonyi	2014	29,800	Nil	Nil	800	Nil	Nil	30,600
John Sartz	2014	21,600	Nil	Nil	800	Nil	Nil	22,400
Victor Neufeld	2014	23,800	Nil	Nil	800	Nil	Nil	24,600

(1) Represents fair value of stock option awards on grant.

(2) Disclosure for Diane Reko has been provided in the Named Executive Officer Compensation table.

Incentive award plans for non-executive directors

To more closely align the interests of Directors with our shareholders, pursuant to our Amended and Restated Stock Option Plan (the "Stock Option Plan"), each of the directors is entitled to receive grants of options at the discretion of the Compensation Committee and the Board. Unless otherwise specified by the Board, vesting of options under the Stock Option Plan takes place immediately for directors that are not full-time employees of the Company and the options expire after five years from the grant date.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table sets forth the details regarding incentive plan awards for each non-executive director of the Company outstanding as of July 31, 2014:

NAME	OPTION-BASED AWARDS				SHARE-BASED AWARDS		
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS ⁽¹⁾	NUMBER OF SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED	MARKET OR PAYOUT VALUE OF VEST SHARE-BASED AWARDS NOT PAID OUT OR DISTRIBUTED
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Victor Neufeld	5,000	1.15	10/02/18	Nil	Nil	Nil	Nil
John Sartz	5,000	1.15	10/02/18	Nil	Nil	Nil	Nil
Andrew Szonyi	5,000	1.15	10/02/18	Nil	Nil	Nil	Nil

NOTES:

(1) – On July 31, 2014, the closing price of the Common Shares on the TSXV was \$1.11. Value is calculated based on the difference between the market value of the Common Shares as at July 31, 2014 and the exercise price of the option.

VALUE VESTED OR EARNED DURING THE FINANCIAL YEAR ENDED JULY 31, 2014

The following table sets forth the details regarding the value vested or earned of incentive plan awards for each non-executive director for the financial year ended July 31, 2014:

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR	SHARE-BASED AWARDS – VALUE VESTED DURING THE YEAR	NON-EQUITY INCENTIVE PLAN COMPENSATION – VALUE EARNED DURING THE YEAR
	(\$)	(\$)	(\$)
Victor Neufeld	800	Nil	Nil
John Sartz	800	Nil	Nil
Andrew Szonyi	800	Nil	Nil

Pursuant to Reko's by-laws and the Audit Committee's written Charter, the Committee provides assistance to the Board in fulfilling its oversight responsibilities to Reko's shareholders with respect to the integrity of Reko's financial statements and reports and financial reporting process.

The Committee also annually reviews and reassesses the adequacy of its written Charter. No material revisions were made to the Charter in 2014. The Charter is attached as Appendix C.

The Committee met 4 times during fiscal 2014, including 4 times with management and 4 times with representatives of the Independent Auditor, both together and independently.

Composition of the Audit Committee

Andrew Szonyi, Chair	Independent	Financially Literate
John Sartz	Independent	Financially Literate
Victor Neufeld	Independent	Financially Literate

Auditor independence and Audit Fees

The Committee has discussed with the Independent Auditor its independence from management and Reko, and has considered whether the provision of non-audit services is compatible with maintaining such independence. In order to ensure that such independence is not compromised by engaging it for other services, the Committee has established and maintains a process for the review and pre-approval of all services and related fees paid to the Independent Auditor. Pursuant to this pre-approval process, the Committee approved and Reko paid the following fees to the Independent Auditor for services provided in respect of fiscal 2014 and fiscal 2013:

AUDIT FEES	FISCAL 2014	FISCAL 2013
Audit Related Fees:		
Audit Fees	\$ 92,500	\$ 90,000
Audit related fees	--	--
Quarterly Reviews	22,500	22,500
CPAB fees	2,000	2,000
Accounting Matters	--	--
Tax Fees:		
Compliance	--	28,900
Consulting	4,000	12,800
All Other Fees:		
Advisory Services	--	--
Research and Development Compliance Fees	--	--
	\$ 121,000	\$ 156,200

In order to further ensure the independence of the Independent Auditor, the Committee reviews and approves the hiring of partners, employees and former partners and employees of the Independent Auditor who were engaged on the Corporation's account within the three prior years.

Other reportable matters

In connection with Reko's Consolidated Financial Statements and Management's Discussion and Analysis of Results of Operations and Financial Position ("MD&A") for the fiscal year ended July 31, 2014, the Committee has:

- Reviewed and discussed with senior management and the Independent Auditor the audited Consolidated Financial Statements and MD&A, in respect of 2014 and other forms and reports required to be filed with the Ontario Securities Commission in respect of the fiscal year ended July 31, 2014;
- Discussed with the Independent Auditor the matters required to be discussed by the Canadian Institute of Chartered Accountants Standard 5751 (Communications with Those Having Responsibility for the Financial Reporting Process) ("CICA Standard 5751");
- Received and reviewed with the Independent Auditor the written disclosures and related letter from the Independent Auditor required by CICA Standard 5751 and discussed with the Independent Auditor the independence of the Independent Auditor as Reko's auditor; and,
- Reviewed with the Independent Auditor its audit report on the Consolidated Financial Statements.

Management is responsible for the preparation and presentation of Reko's financial statements, the financial reporting process and the development and maintenance of its systems of internal accounting and administrative cost controls. PricewaterhouseCoopers, LLP is responsible for performing an independent audit on and issuing its reports in respect of Reko's consolidated financial statements in accordance with Canadian generally accepted auditing standards. The Committee's responsibility is to monitor and oversee these processes in accordance with its Charter and applicable law.

Based on these reviews and discussions, including reviewing of the Independent Auditor's audit report, the Committee has recommended to the Board and the Board has approved: the inclusion of the audited Consolidated Financial Statements in Reko's Annual Report; the MD&A and the other forms and reports required to be filed with the Ontario Securities Commission in respect of the fiscal year-ended July 31, 2014.

Submitted by the Audit Committee of the Board.



COMPENSATION DISCUSSION AND ANALYSIS

Objectives of compensation program/strategy

The Company's compensation strategy is designed to accomplish the following objectives:

- Align compensation with the overall Company business strategy and business unit goals;
- Reward executive team members for their contribution to the overall success of the Company and for achievement of planned business and financial objectives in their own area of responsibility;
- Attract and retain executive talent able to bring superior management skills to the Company;
- Implement compensation programs that are cost efficient;
- Incentivize executives to align their long-term interests with the investment objectives of the Company's shareholders; and,
- Avoid and discourage short-term behaviour that is not in the best interests of shareholders.

The Company's objective is to be a profitable; highly integrated, technology driven engineering and manufacturing firm providing creative, quality engineered solutions for the automotive, aerospace, oil & gas and transportation markets. Meeting these objectives has required and will continue to require attracting a team of executives who have expertise in manufacturing, innovation, strategy, legal and financial disciplines. The Company has developed a compensation package to attract such executives that includes cash compensation and benefits as well as participation in the profitability of the Company both through direct profit participation and participation in the increased value of the enterprise reflected in its stock price. As the Company's profits increase, it is anticipated that an executive's compensation will increase, providing an alignment of shareholder-owner interests and management interests as value is created for both. If profits decrease, an executive's overall compensation will generally decrease to base levels.

Elements of compensation

The key elements of the Company's compensation arrangements for its named executive officers ("NEOs", as defined in NI – 51-102F6) include:

1. Base salary;
2. Bonus awards; and
3. Equity participation.

NEOs are also entitled to standard benefits and perks. Base salary and bonuses are governed by employment contracts and formalized bonus plans, while equity participation is negotiated and reviewed more frequently. There are various factors considered when negotiating the compensation arrangements of the Company's NEOs, which are discussed in detail below. Decisions under one compensation element do not impact the other compensation elements.

BASE SALARY

The Company provides a base salary so that NEOs have a regular defined and certain income. Competitive base salaries are important in attracting and retaining executives. Base salaries for fiscal 2014, have been established to reflect: (i) individual performance and achievement; (ii) the increased responsibilities characterized by a public company; (iii) compensation levels which such individuals could attract in the senior executive or professional market for their services; and, (iv) levels that are appropriately higher than those earned by their direct reports. Ms. Reko's base salary at the end of fiscal 2014 was \$225,000 and Mr. Merton's base salary was \$200,000. Base salaries of our other employees, including the remaining NEOs, are set out in the employee's employment contract or letter of employment and, in respect of NEOs, are disclosed in the table on page 33.

BONUS

A portion of the cash compensation for NEOs is in the form of direct profit participation, generally in the form of a percentage of profit. As profits increase, so does compensation. If profits decline, so does this variable element of compensation. Thus, NEOs are encouraged to grow corporate profits, an objective that is aligned with the interests of the Company's stakeholders. Similar approaches to direct profit participation are present at other levels of the organization in addition to the executive level.

For NEOs with employment contracts, the negotiated percentages do not fluctuate, although the amount of the bonus will fluctuate as profits fluctuate. The pre-tax profit calculation excludes extraordinary items, as determined by the Company's Independent Auditor. Both Ms. Reko and Mr. Merton's employment contracts contain bonus calculations based on 0.8% of pre-tax profit up to \$5,000,000 and 0.4% thereafter. Mr. Merton's bonus is capped at \$100,000 while Ms. Reko's bonus does not include a cap.

For the other NEOs bonuses are calculated based on a percentage of the executive's salary for achievement of each of a number of goals. The bonus is calculated as 10% of the executive's salary for attainment of budgeted operating income for the division for which the executive is responsible, 10% of the executive's salary for attainment of a 15% return on net assets for the division, as well as up to 3% of the executive's salary for achievement of various goals assigned by the CEO. The Company does not define the targets for divisional budgeted operating income and divisional return on net assets on the basis that it believes a reasonable person would consider that disclosing such information would seriously prejudice the Company's interests. The Company defines "operating income" as net income plus/(minus) each of: interest income (expense); foreign exchange gains (losses); and, gains (losses) from the sale of capital assets.

All other employees are entitled to participate in a bonus pool established as 3.1% of the operating income of the subsidiary in which they are primarily employed.

The underlying objective of our bonus structure is to encourage decision making that supports the objectives of the business; that promotes profitability and profitable growth; and that assists in recruiting and retaining the scarce talent available in our technical business. Each employee's compensation is directly affected by the profitability of the operations over which he or she is responsible.

The Company does not currently have a policy on recovery of bonus awards in the event of a restatement of earnings or an adjustment to earnings.

All bonus amounts are calculated and listed (by employee) and then are approved by the Compensation Committee of the Board prior to disbursement.

EQUITY PARTICIPATION

Another component of the NEOs' compensation is direct or indirect equity participation by NEOs. The Compensation Committee believes that NEOs should be motivated to impact the Company's stock price, to the benefit of the shareholders. While driving profitability has been their primary focus to achieve this goal, senior executives are encouraged, but not required, to own Reko shares directly or indirectly. Three of Reko's NEOs own shares directly.

The Compensation Committee believes that incentive compensation in the form of stock option grants could be beneficial to attract and retain both senior executives and talent at other levels. The Company's option plan thus allows grants to employees at all levels of the organization and takes into consideration previous grants when considering awarding new grants. In 2014, the Company granted 35,000 options to employees, 5,000 options to Ms. Reko, who is both an employee and a director and 15,000 options to directors. During the year, 9,000 options were exercised, all by directors.

Option awards are discretionary, as approved by the Compensation Committee and the Board. The CEO and Chair of the Board have in the past and in the future may request that options be granted for directors, senior executives, or other employees. The Compensation Committee and the Board may consider a variety of factors in exercising its discretion, including the compensation philosophy and practices of the Company as described in this Circular: individual or collective management performance; previous grants of options; contributions to the Company's success, relative position, years of service; and general compensation trends.

PERQUISITES AND PERSONAL BENEFITS

The primary purpose of providing benefits and limited perquisites to the CEO and the NEOs is to attract and retain the talent to manage the Company. Perquisites and personal benefits for senior executives are consistent with established corporate-wide benefits available to all employees, save and except for car allowances (which do not exceed \$7,200 a year) and re-imbursalment of gasoline purchases for automobiles used for business purposes (approximately \$3,000 a year) available to certain members of management, which includes each of the NEOs.

Employment contracts

The Company has entered into employment contracts with two of its senior executives. Mr. Merton entered into an employment contract with the Company in 2009. Ms. Reko entered into an employment contract with the Company in 2012. Ms. Reko's contract was amended in 2013 to reflect an increase in her base salary from \$200,000 per annum to \$225,000 per annum.

These agreements set out the respective duties and responsibilities of, and provide that, each NEO is to receive a base salary, is entitled to receive an annual bonus in an amount equal to a percentage of consolidated net income before income tax of the Company and certain other benefits, including termination and change of control benefits, and medical, dental, life and disability insurance. These employment agreements provide for, among other things, industry standard covenants in favour of the Company, including covenants not to compete with the Company or solicit its employees for employment for a specified period following termination of their employment, as well as confidentiality covenants.

MANAGING COMPENSATION RELATED RISK

In 2014, the Compensation Committee considered the implications of the risks associated with its compensation policies and practices. The Compensation Committee is actively involved in the risk oversight of its compensation policies and practices. Managing enterprise risk is embedded in all of the Company's key decisions and the Board approves all significant projects. The Company uses the following practices to discourage or mitigate excessive risk-taking:

- The Board reviews and approves the Company's business plan and budgets, which are considered in the context of assessing performance and awarding incentives, before the start of each year. Profitability targets and subsequent accomplishments determine eligible bonus amounts;
- Employment contracts for senior executives are approved by the Compensation Committee, and incorporate the three key elements of compensation (see "Elements of Compensation" above);
- Bonuses for senior executives are negotiated in the employment contract as a specified percentage of pre-tax profits; the negotiated percentages do not fluctuate or are established by bonus calculations, all of which are approved by the Compensation Committee of the Board;
- All equity based awards (for executives and non-executives) are approved by the Compensation Committee and the Board; equity compensation is based on performance and is discretionary (as described above);
- There is an appropriate mix of pay, including fixed and performance based compensation with short and longer time performance conditions and multiple forms of compensation;
- The Compensation Committee established a cap on the annual bonus of the Chief Financial Officer;

- While the Company does not have share ownership requirements for its senior executives, NEOs and other members of its management team, it encourages share ownership by its management team;
- While the Company does not expressly prohibit hedging of Common Shares, financial instruments and share based compensation awards, it is not aware of any employees engaging in these activities;
- The Company's long-term incentive program includes options which vest over time (or a significant portion of which vest over time). This ensures that executives remain exposed to the risks of their decisions and vesting periods align with risk realization periods. The trading of Common Shares, whether obtained through option exercise or otherwise, is subject to specified black-out periods, which begin 30 days prior to the Company's quarterly scheduled financial releases and end 2 days after such release;
- The Audit Committee and the Board are responsible for assessing and monitoring the Company's financial and enterprise risks. Accordingly, the members of the Compensation Committee have direct information regarding the Company's enterprise risk when making compensation decisions; and,
- The Compensation Committee approves all bonus amounts (by employee) prior to payment and has discretion to adjust annual incentive payments to take into account unexpected events. Where there are no pre-tax profits, no bonuses are payable to senior executives.

As a result of the Compensation Committee's review of its compensation plans, it has concluded that there are no identified risks arising from its compensation programs which are reasonably likely to have a material adverse effect on the Company.

COMPENSATION REVIEW

The Company believes that it has assembled a strong management team with the foregoing executives, along with the other members of its management team.

The Compensation Committee met one time over the past year to review executive compensation matters and the performance of its senior executive team. While the Compensation Committee does not calculate the specific amount of the annual bonus, it reviews and approves such amounts annually, and it is the Committee's view that tying bonus payments to a percentage of profits, together with discretionary equity awards, accurately reflect the executive's performance during the year. In negotiating the employment contracts of the senior executives and in making bonus and equity determinations, the Compensation Committee considers the skill, ability and experience of each individual executive and has relied in the past on third party research; analysis of compensation surveys; first-hand knowledge of compensation levels and practices in the automotive industry; and interviews with management. The Compensation Committee has concluded, after review of industry and company related criteria that members of Reko's senior executive team have performed acceptably given the current economic environment.

Additional information on the Compensation Committee can be found in Appendix B to this Circular.

FINAL APPROVAL OF ALL COMPENSATION MATTERS

The Board retains final authority to accept (with or without modification) or reject any recommendation of the Compensation Committee.

SUMMARY COMPENSATION TABLE

The following table sets out all compensation for services in all capacities to the Company and its subsidiaries of the NEOs.

NAMED EXECUTIVE OFFICER COMPENSATION

FINANCIAL YEAR ENDED JULY 31, 2014

NAME AND PRINCIPAL POSITION	YEAR	SALARY	SHARE-BASED AWARDS	OPTION-BASED AWARDS	NON-EQUITY INCENTIVE PLAN COMPENSATION			ALL OTHER COMPENSATION ⁽⁴⁾	TOTAL COMPENSATION
					ANNUAL INCENTIVE PLAN ⁽¹⁾	LONG-TERM INCENTIVE PLANS ⁽²⁾	PENSION VALUE ⁽³⁾		
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Diane Reko, CHIEF EXECUTIVE OFFICER	2014	⁽⁵⁾ 216,346	Nil	Nil	⁽⁹⁾ 200	800	Nil	12,322	229,668
	2013	200,000	Nil	Nil	⁽⁹⁾ 200	Nil	Nil	13,096	213,296
	2012	200,000	Nil	Nil	⁽⁹⁾ 10,250	Nil	Nil	12,669	222,919
Carl Merton, CHIEF FINANCIAL OFFICER	2014	200,000	Nil	Nil	⁽¹⁰⁾ 15,173	800	Nil	10,650	226,623
	2013	200,000	Nil	Nil	⁽¹⁰⁾ 14,077	Nil	Nil	10,196	224,273
	2012	200,000	Nil	Nil	⁽¹⁰⁾ 10,000	Nil	Nil	10,229	220,229
Peter Gobel, GENERAL MANAGER	2014	⁽⁶⁾ 138,981	Nil	Nil	⁽¹¹⁾ 32,890	800	Nil	11,866	184,547
	2013	135,000	Nil	Nil	⁽¹¹⁾ 8,000	Nil	Nil	11,311	154,311
	2012	⁽⁶⁾ 134,615	Nil	Nil	⁽¹¹⁾ 31,050	Nil	Nil	12,040	177,705
Dave Romanello, GENERAL MANAGER	2014	⁽⁷⁾ 123,173	Nil	Nil	⁽¹²⁾ 7,500	800	Nil	10,047	141,620
	2013	⁽⁷⁾ 112,500	Nil	Nil	⁽¹²⁾ 46,000	Nil	Nil	10,606	169,106
	2012	⁽⁷⁾ 105,289	Nil	Nil	⁽¹²⁾ 65,964	Nil	Nil	9,949	181,202
Cedric Stone, GENERAL MANAGER	2014	⁽⁸⁾ 124,615	Nil	Nil	⁽¹³⁾ 5,500	800	Nil	12,437	143,352
	2013	⁽⁸⁾ 134,519	Nil	Nil	⁽¹³⁾ 5,000	Nil	Nil	12,181	151,700
	2012	⁽⁸⁾ 129,615	Nil	Nil	⁽¹³⁾ 27,550	Nil	Nil	11,644	168,809

NOTES:

- (1) Amounts disclosed under the "Annual Incentive Plan" column represent cash bonuses, some of which are mandated by Employment Contracts. Bonus amounts for fiscal 2014 will be paid in fiscal 2015.
- (2) Fair value of option grants during the year, calculated in a manner consistent with IFRS 2 Shared-based payment
- (3) See pension plan section later in Circular.
- (4) Perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of total annual salary and bonuses for each of the designated NEOs. Amount includes payments made on behalf of NEOs for payments for car allowances, Group RRSPs and the taxable portion of life insurance.
- (5) At July 31, 2014, Ms. Reko's base salary was \$225,000.
- (6) At July 31, 2014, Mr. Gobel's base salary was \$135,000. At July 31, 2012, Mr. Gobel's base salary was \$135,000.
- (7) At July 31, 2014, Mr. Romanello's base salary was \$120,000. At July 31, 2013, Mr. Romanello's base salary was \$120,000. At July 31, 2012, Mr. Romanello's base salary was \$110,000.
- (8) At July 31, 2014, Mr. Stone's base salary was \$130,000. At July 31, 2013, Mr. Stone's base salary was \$130,000. At July 31, 2012, Mr. Stone's base salary was \$135,000.

- (9) Ms. Reko's 2013 and 2014 annual incentive plan payment is an annual Christmas bonus amount paid to all employees (\$200). Ms. Reko's 2012 annual incentive plan payment is for the signing bonus included in her employment contract executed in the current year (\$250) and a discretionary award related to the completion of the business transformation project (\$10,000).
- (10) Mr. Merton's 2014, 2013 and 2012 annual incentive plan payments are a contractual amount related to corporate profitability.
- (11) Mr. Gobel's 2014, 2012 annual incentive plan payments relate to the profitability earned by the product line Mr. Gobel manages. Mr. Gobel's 2013 annual incentive plan payment was a discretionary award related to the profitability earned by the product line Mr. Gobel manages.
- (12) Mr. Romanello's 2014 annual incentive plan payment was a discretionary award related to the profitability earned by the product line Mr. Romanello manages. Mr. Romanello's 2013 annual incentive plan payment includes contractual payments related to sales commissions earned (\$41,000) and a discretionary award related to the profitability earned by the product line which Mr. Romanello manages. Mr. Romanello's 2012 annual incentive plan payment includes contractual payments related to sales commissions earned (\$41,664), amounts related to corporate profitability (\$14,300) and a discretionary award related to the completion of the business transformation project (\$10,000).
- (13) Mr. Stone's 2014 and 2013 annual incentive payment plans are a discretionary award related to profitability earned by the product line which Mr. Stone manages. Mr. Stone's 2012 annual incentive plan payment relates to a discretionary award related to the completion of the business transformation project (\$10,000) and the profitability earned by the product lines which Mr. Stone managed (\$17,550).

INCENTIVE PLAN AWARDS

The Stock Option Plan is intended to promote the interests of the Company and its shareholders by making provision for stock options as an additional incentive to attract, retain and motivate full-time officers, key employees and directors who will make important contributions to the success of the Company. The Compensation Committee believes that incentive compensation in the form of stock option grants is and has been beneficial and necessary to attract and retain both senior executives and managerial talents at other levels.

Option awards are discretionary, as approved by the Compensation Committee and the Board. The exercise of such discretion is discussed above. The CEO and Chair of the Board have in the past and in the future may request that options be granted for directors, senior executives, or other employees. The Compensation Committee and the Board may consider a variety of factors in exercising their discretion, including the compensation philosophy and practices of the Company as described in this Circular: individual or collective management performance; previous grants of options; contributions to the Company's success, relative position, years of service; and general compensation trends.

The following table provides certain information with respect to the incentive plan awards for each Named Executive Officer outstanding as of July 31, 2014:

NAME	OPTION-BASED AWARDS				SHARE-BASED AWARDS		
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS ⁽¹⁾	NUMBER OF SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED	MARKET OR PAYOUT VALUE OF VESTED SHARE-BASED AWARDS NOT PAID OUT OR DISTRIBUTED
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Diane Reko	5,000	1.15	10/02/18	Nil	Nil	Nil	Nil
Carl Merton	5,000	1.15	10/02/18	Nil	3,500	Nil	Nil
Peter Gobel	5,000	1.15	10/02/18	Nil	1,500	Nil	Nil
Dave Romanello	5,000	1.15	10/02/18	Nil	1,500	Nil	Nil
Cedric Stone	5,000	1.15	10/02/18	Nil	1,500	Nil	Nil

NOTES:

- (1) – On July 31, 2014, the closing price of the Common Shares on the TSXV was \$1.11. Value is calculated based on the difference between the market value of the Common Shares as at July 31, 2014 and the exercise price of the option.

VALUE VESTED OR EARNED DURING THE FINANCIAL YEAR ENDED JULY 31, 2014

The following table sets forth the details regarding the value vested or earned of incentive plan awards for each NEO for the financial year ended July 31, 2014:

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR ⁽¹⁾	SHARE-BASED AWARDS – VALUE VESTED DURING THE YEAR	NON-EQUITY INCENTIVE PLAN COMPENSATION – VALUE EARNED DURING THE YEAR ⁽²⁾
	(\$)	(\$)	(\$)
Diane Reko	320	Nil	Nil
Carl Merton	320	Nil	Nil
Peter Gobel	320	Nil	Nil
Dave Romanello	320	Nil	Nil
Cedric Stone	320	Nil	Nil

NOTES:

(1) - Value vested during the year represents 40% of the fair value of the options awards, consistent with the percentage of the award vested in year.

(2) - Amounts disclosed under the “Non-equity incentive plan compensation” column include bonuses paid under Employment Contracts

TERMINATION AND CHANGE OF CONTROL BENEFITS

The employment agreement with Ms. Reko contains a provision for a severance payment, in the event of termination, without cause, in the amount of 24 months wages, payable by the Company at the time of termination. The employment agreement with Mr. Merton contains a provision for a severance payment, in the event of termination without cause, in the amount of 4 months wages plus an additional 2 months wages for each full year of service with the company, to a maximum of 12 months. In addition, Mr. Merton’s contract includes a change of control provision, which effectively doubles the severance or termination guarantee in a change of control situation followed by termination, for other than just cause, within a two-year period of such change in control. Both payments are payable by the Company at the time of termination. Both contracts include industry standard non-solicitation, non-compete, non-disparagement, and confidentiality clauses. Both contracts contain provisions for no severance payment in the event of resignation, termination with cause or retirement. The remaining NEOs employment arrangements do not include any provision for termination or change of control benefits.

For purposes of Mr. Merton’s agreement, the term ‘change of control’ is defined to mean (i) the acquisition by any person, directly or indirectly of more than 50% of the Company’s outstanding Common Shares, other than The Reko Family Corporation or its affiliates or successors, (ii) any

merger, arrangement or similar event where control is transferred, or (iii) any event whereby all or substantially all of the assets of the Company are sold to a third-party.

The maximum total amount potentially payable by Reko pursuant to the employment contracts or arrangements of the NEO’s is approximately \$0.85 million in the aggregate. No notice, retiring allowance or other severance payment is required where the Company terminates employment for just cause or upon voluntary resignation, absent a change of control.

NAME	TERMINATION BENEFIT	CHANGE OF CONTROL BENEFIT	TOTAL
	(\$)	(\$)	(\$)
Diane Reko	⁽¹⁾ 450,000	Nil	⁽¹⁾ 450,000
Carl Merton	⁽¹⁾ 200,000	⁽¹⁾ 200,000	⁽¹⁾ 400,000
Peter Gobel	Nil	Nil	Nil
Dave Romanello	Nil	Nil	Nil
Cedric Stone	Nil	Nil	Nil

NOTES:

(1)- As of July 31, 2014, represents maximum amount potentially due at any point during fiscal 2015.

PENSION PLANS

The Company does not maintain a defined benefit pension plan for any of its employees, including the NEOs. The Company does offer an individual based Group RRSP policy (the “Canadian Policy”) and a 401(k) program (the “U.S. Plan”) to its employees, in which certain of the NEOs participate.

The Canadian Policy provides a company contribution, up to a maximum of \$1,500 per year, based on years of service. The Company’s contribution is provided by the Company to the provider of the Canadian Policy for application to the employee’s account. Once in the employee’s account, the investment decision and the decision of when to redeem the funds are both at the sole discretion of the employee. The Company does not have access to information on the accumulated value for any NEO. Accordingly, the Company has only disclosed the contributions made to the Canadian Policy by the Company on behalf of the NEOs in the “All Other Compensation” column in the Executive Officer Compensation table on page 33.

The U.S. Plan provides a company contribution of 3% of the employee's annual salary, exclusive of bonus, effective the day the employee joins the U.S. Plan. The Company believes that the U.S. Plan represents a defined contribution plan; however none of the NEOs are eligible under the U.S. Plan.

Submitted by the Compensation Committee of the Board.

Andrew Szonyi, Compensation Committee Chair

John Sartz, Compensation Committee Member

Victor Neufeld, Compensation Committee Member

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

AMENDED AND RESTATED INCENTIVE STOCK OPTION PLAN, EFFECTIVE MARCH 24, 1994, AMENDED AND REVISED SEPTEMBER 26, 1997 (APPROVED BY SECURITY HOLDERS)	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING NUMBER CURRENTLY OUTSTANDING)
	55,000	\$ 1.15	472,509

There are no equity compensation plans unapproved by security holders.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The Stock Option Plan is intended to promote the interests of the Company and its shareholders by making provision for stock options as an additional incentive to attract, retain and motivate full-time officers, key employees and directors who will make important contributions to the success of the Company. Any option granted under the Stock Option Plan is granted for a maximum of five years, and is non-transferable. No person may be issued options, which in the aggregate represent five percent (5%) or more of the issued and outstanding Common Shares of the Company. The exercise price of an option granted under the Stock Option Plan may not be lower than the market price of the subject shares at the time of grant, and not more than 650,000 Common Shares may be issued pursuant to all such options unless shareholder approval is obtained to increase such number. The Board may impose other conditions respecting any option granted, as it might consider appropriate or necessary. In connection with the administration of the Stock Option Plan, the Board has determined that the Board may authorize the Company to make a loan to an option holder to provide the funds necessary to exercise the option. Such a loan may be for a term not exceeding five years and may bear interest at such rate, if any, which the Board determines to be appropriate. Unless otherwise specified by the Board, vesting of options under the Stock Option Plan takes place immediately for directors that are not full-time employees of the Company and, in respect to employees, options vest at a rate of 30% in the first year, 30% in the second year, and 40% in the third year of their five-year term.

In 2014, the Company granted 35,000 options to employees, 5,000 options to an employee who is also a director and 15,000 options to directors. Also during the year, 9,000 options were exercised at \$1.16 per share.

EMPLOYEE SHARE PURCHASE ASSISTANCE PLAN

The Employee Share Purchase Assistance Plan is designed to encourage and assist full-time employees of the Company to purchase Common Shares on a regular basis. Employees who have been continuously employed by the Company for at least one year are able to participate in the Employee Share Purchase Assistance Plan. On a quarterly basis, the Company purchases Common Shares for employees at a price equal to the market value of the Common Shares.

In order to assist the employees to acquire shares under this Plan, the Company provides interest-free loans, to be repaid through payroll deductions, amortized over 52 weeks. The aggregate amount of such share purchase loans outstanding at any such point in time cannot exceed \$25,000 for each employee.

During the year, the Company did not purchase any shares on the open market under the Employee Share Purchase Assistance Plan on behalf of employees.



INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS, AND EMPLOYEES

None of Reko's present or former directors or executive officers was indebted at any time during 2014 to Reko or its subsidiaries.

None of Reko's nor any of its subsidiaries' present or former employees was indebted at any time in 2014 to Reko or its subsidiaries in connection with the purchase of Reko's securities. As at the Record Date, the aggregate amount of indebtedness to Reko and its subsidiaries, incurred other than in connection with the purchase of securities of Reko was \$Nil, in the case of present or former employees.

OTHER MATTERS TO BE ACTED UPON

The management of the Company knows of no matters that may be brought before the Meeting other than those referred to in the Notice. However, if other matters are properly brought before the Meeting, the persons named in the attached proxy intend, in their discretion, to vote on them in accordance with the judgement of the person so voting.

NORMAL COURSE ISSUER BID

The Company did not have an open Normal Course Issuer Bid at any time during fiscal 2014.

FINANCIAL INFORMATION

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

DIRECTORS' AND OFFICERS' INSURANCE

Reko's directors' and officers' liability insurance continues in place for the upcoming year. This insurance provides, among other coverages, coverage up to \$15 million (2013: \$15 million) for officers and directors of Reko and its subsidiaries. This policy does not provide coverage for losses arising from the intentional breach of fiduciary responsibilities under statutory or common law or from violations of or the enforcement of pollutant laws and regulations. The aggregate premium payable in respect of the policy year was \$25,087.

SHAREHOLDER PROPOSALS AND COMMUNICATIONS

Proposals of shareholders intended to be presented at the Annual General Meeting of Shareholders to be held in calendar 2015 must be received by Reko at its principal executive offices for inclusion in its Management Information Circular/Proxy Statement on or before October 1, 2015.

CONTACTING THE BOARD OF DIRECTORS

Shareholders wishing to communicate with any Director may do so by contacting Reko's corporate secretary at its corporate headquarters at 469 Silver Creek Industrial Drive, Lakeshore, Ontario N8N 4W2, telephone (519) 727-3287.

APPROVAL OF CIRCULAR

The contents of this information circular have been approved and its mailing has been authorized by the Board of Directors of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found under Reko's Company Profile at www.sedar.com. For copies of documents (free of charge), please contact the Investor Relations Department at (519) 727-3287, or at 469 Silver Creek Industrial Drive, Lakeshore, Ontario, N8N 4W2, or via e-mail at irelations@rekointl.com.

Dated this 16th day of October, 2014

By order of the Board of Directors

"Diane Reko, B.COMM"

CHIEF EXECUTIVE OFFICER



CORPORATE GOVERNANCE DISCLOSURE

DIRECTOR INDEPENDENCE

Details with respect to the identity of Directors who are Independent, identity of Directors who are not Independent and the basis for that determination, disclosures as to whether or not the majority of Directors are Independent, disclosures with respect to Directors who are presently Directors of other reporting issuers and disclosures with respect to the attendance records of each Director for all board meetings held since the beginning of our most recently completed financial year are included in pages 8 and 9 and by reference hereto are considered disclosed herein.

We note that the Independent Directors of the Board do not hold regularly scheduled meetings but meet on an ad-hoc basis as and when it is determined relevant.

Board members are encouraged to independently review and comment on the business of the Company. The Board has free access to the issuer's external auditor, legal counsel, and to any of the issuer's officers. Board committees can and do meet independently of management in fulfilling their mandates and making recommendations to the Board. To assist in fostering proper input of Independent directors and Independent director participation in Board decisions, in addition to and apart from Board committee mandates, the Board established a Lead Director position in 2008. The Lead Director's mandate is attached as Appendix D hereto.

BOARD MANDATE

MANDATE OF THE BOARD OF DIRECTORS

The directors are elected by the shareholders and are committed to the oversight of the assets and affairs of the Company, including responsibility for, to the extent feasible, satisfying itself as to the integrity of the CEO and other senior officers. The Board seeks to discharge this responsibility by reviewing, discussing and approving the Company's strategic planning and organizational structure to enhance and preserve the assets of the Company and the underlying value of the Company.

EXPECTATIONS OF MANAGEMENT

The Board expects management to provide information in a timely manner and maintain processes, which enable the Board to identify issues, challenges, and opportunities for the Company and to otherwise discharge its responsibilities.

DUTIES OF DIRECTORS

The Board discharges its responsibility for oversight by delegating to the Company's senior officers the responsibility for day-to-day management of the Company. The Board discharges its responsibilities both directly and through its committees: the Audit Committee and the Compensation Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address issues of a more short-term nature. The Board's primary roles are

overseeing corporate performance and attempting to provide for the quality, depth and continuity of management needed to meet the Company's strategic objectives. Other principal duties include, but are not limited to, the following categories:

APPOINTMENT OF MANAGEMENT AND SUCCESSION PLANNING

1. The Board is responsible for the appointment of the Chief Executive Officer and the other officers of the Company. The Independent members of the Board are responsible for approving the compensation of the Chief Executive Officer and the other officers of the Company.
2. The Board, from time to time, delegates to senior management the authority to enter into transactions, such as financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business are reviewed by, and are subject to, the prior approval of the Board.
3. The Board oversees that succession-planning programs are in place, including programs to train and develop management. The Board is responsible for approving management's succession plans for the Chief Executive Officer and the other officers of the Company.

BOARD ORGANIZATION

4. The Board retains responsibility for managing its own affairs.
5. The Board may delegate to Board committees matters for which the Board is responsible. It retains ultimate responsibility for such delegated duties.

STRATEGIC PLANNING

6. The Board is responsible for reviewing the financial and strategic plans, if any, of the Company.
7. The Board will consider alternate strategies in response to possible change of control transactions or take-over bids with a view to maximizing value for shareholders.

MONITORING OF FINANCIAL PERFORMANCE AND OTHER FINANCIAL REPORTING MATTERS

8. The Board is responsible for reviewing and approving the annual audited consolidated financial statements and the interim consolidated financial statements, and the notes and Management's Discussion and Analysis accompanying such financial statements.
9. The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Company's governing statute, including the payment of dividends, the issuance, purchase and redemption of securities, acquisitions and dispositions of material capital assets and material capital expenditures.

RISK MANAGEMENT

10. The Board is dependent upon management for the identification of principal risks of the Company's business and is responsible for overseeing the implementation of appropriate systems to effectively monitor and manage those risks with a view to the long-term viability of the Company and achieving a proper balance between risks incurred and the potential return to the Company's shareholders.

ENVIRONMENTAL OVERSIGHT

11. The Board is responsible for the implementation of appropriate environmental stewardship and health and safety management systems that are sufficient within the terms and practices of its industries, to ensure compliance with applicable laws and Company policies.

POLICIES AND PROCEDURES

12. The Board is responsible for:
 - (a) Approving and reviewing compliance with all significant policies and procedures by which the Company is operated; and
 - (b) Approving policies and procedures designed to ensure that the Company operates within applicable laws and regulations and in accordance with ethical and moral standards.
13. The Board shall enforce its policy respecting confidential treatment of the Company's proprietary information and the confidentiality of Board deliberations.

COMMUNICATIONS AND REPORTING

14. The Board has approved and will review, from time to time, as circumstances warrant, a Corporate Disclosure Policy to address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and the communities in which the business of the Company is conducted.
15. The Board is responsible for:
 - (a) Overseeing that the financial results and related, required legal disclosure are reported timely, fairly, and in accordance with generally accepted accounting principles; and
 - (b) Overseeing the Company's implementation of systems to accommodate feedback from stakeholders.

CORPORATE GOVERNANCE

16. The Board is responsible for adopting and enforcing good corporate governance practices and processes. Annually, it reviews and approves the Statement of Corporate Governance Practices as found in the Proxy Circular.

INTEGRITY OF INTERNAL CONTROLS AND MANAGEMENT INFORMATION SYSTEMS

17. The Board is responsible for monitoring the efficiency and the integrity of the Company's internal controls and information systems.

The Board of Directors has reviewed this Mandate on October 2, 2014.

POSITION DESCRIPTIONS

The Board does not have written position descriptions for the Chair, or for the Chair of any board committee. Because of their experience levels, the aforementioned Chairs understand their role and responsibilities. All directors are responsible for regular board attendance and advance review of meeting materials.

DIRECTOR ORIENTATION

There is an orientation meeting held by executive management for each new director. The orientation meeting includes presentations by executive management on business operations, corporate strategies and key risks of the business. New directors are provided with an information package on the Company's business, its strategic and operational business plans, its operating performance, its governance system and its financial position. New directors are also provided with the Board mandate, committee terms of reference, codes of conduct and applicable policies.

Annually, each member is involved in the review of the mandate for either the full Board, or for the committee to which they belong, or both. Members of the Board are welcome to visit any of the Company's facilities at their convenience. Due to their tenure with the Board, many members are quite familiar with the Company's operations.

CONTINUING EDUCATION

The Company will pay for continuing education for directors if they find appropriate programs related to their directorship. As part of continuing education, executive management makes regular presentations to the Board on the main areas of the Company's business. As well, when orientation meetings are held, existing directors are invited to attend the sessions too. In addition, directors are given the opportunity for extensive tours of the facilities of the Company and its subsidiaries which include presentations on products being developed at those facilities.

ETHICAL BUSINESS CONDUCT

Reko International Group Inc. has adopted a Code of Ethics. It is available on the Internet either under the Company's filings on SEDAR (www.sedar.com) or on the Reko website (www.rekointl.com) in the Investor Relations area. The Company also will send you a copy free of charge, if requested.

The Board monitors compliance with its Code of Ethics by reports from management, or from reports to the whistleblower line. The contact person for the whistleblower function is currently the Chair of the Audit Committee. The Board will therefore be well apprised of any concerns expressed by this means. To the knowledge of the Board, there have been no departures from the code. The Audit Chair is an Independent director, and his contact information is available in the Whistleblower Policy. Any stakeholder may provide feedback to the Board through him.

Officers in attendance at Board meetings are expected to report any material changes or conflicts of interest, and directors are expected to abstain from voting on issues in which they have a material interest. The Board ensures that directors exercise independent judgement by asking directors with a material interest in transactions to abstain from voting. As well, when board members interact with management, they encourage and promote a culture of ethical business conduct.

NOMINATION OF DIRECTORS

Although the Board does not have a nominating committee, the Board has an objective nomination process, since any board member is free to submit names of potential new candidates when there is a board vacancy. The evaluation of those nominees is done by the full Board, with a view to enhancing the required competencies of the Board at that point in time.

COMPENSATION

All compensation for directors and officers is approved through the Board's Compensation Committee. The Board determines compensation for the directors and executive officers by reviewing the recommendations of the Board's Compensation Committee. They review the meeting fees and retainer fees relative to similar-sized public companies, while also considering risks and responsibilities. Directors' and executive officers' compensation is also approved by the Board's Compensation Committee, based upon market factors and level of responsibility. All of the members of the Compensation Committee are Independent. Discussions of directors' compensation can be found on Pages 8 and 9 of this Circular, and NEOs' compensation can be found on Page 33. There is no minimum-security ownership requirement for officers and directors.

ASSESSMENTS

The Board conducted their first assessment of members of the Board during fiscal 2011. The assessment was conducted via confidential surveys, with the results aggregated and any comments disclosed. It was determined that the board and committees are performing effectively. These steps were taken by the Board to satisfy itself that the Board, its committees and individual directors were performing effectively.

BOARD COMMITTEES

The full Board has assumed responsibility for Corporate Governance issues and has approved this statement of practices. As well, it is responsible to ensure that corporate objectives of the CEO are consistent with those of the Company's stakeholders.

DECISIONS REQUIRING BOARD APPROVAL

In addition to those matters that must, by law, be approved by the Board, management is also required to seek Board approval for any disposition or purchase of a capital nature in excess of \$3,000,000. Management is also required to consult with the Board before entering into any venture, which is outside of the Company's existing business.

EXPECTATIONS OF MANAGEMENT

The information which management provides to the Board is critical. Directors must have confidence in the data gathering, analysis and reporting functions of management. The Audit Committee of the Board monitors the nature of information requested by, and provided to, the Board so that it is able to determine if the Board can be more effective identifying problems and opportunities for the Company.



COMPENSATION COMMITTEE CHARTER

PURPOSE

The Compensation Committee is appointed by the Board to review and approve the Corporation's compensation and benefit programs and activities.

COMMITTEE MEMBERSHIP

The Committee shall be comprised of the three Independent directors.

MEETINGS

The Committee shall meet as often as its members deem necessary to perform the Committee's responsibilities, but at least annually.

COMMITTEE RESPONSIBILITIES

The Committee shall:

- Evaluate the performance of, and determine the compensation of, the CEO;
- Approve all salary, bonus, and long-term incentive awards for executive officers and directors;
- Review and recommend all equity-based compensation plans to the full Board and approve all grants and awards thereunder;
- Approve the annual committee report on executive compensation for inclusion in the Company's proxy circular.

The Committee will have the authority to retain compensation consultants and other professional advisors to assist it in carrying out its responsibilities.

The Committee will review and re-assess the adequacy of this charter annually.

The Compensation Committee has reviewed this Charter on October 2, 2014.



AUDIT COMMITTEE CHARTER

I. *Audit Committee purpose*

The Audit Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- Identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
- Monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance, as well as the Company's processes for identifying and reporting fraud or illegal acts;
- Monitor the independence and performance of the Company's external auditors and internal auditing department; and
- Provide an avenue of communication among the external auditors, management, and the Board.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.

II. *Audit Committee composition and meetings*

Audit Committee members shall meet the requirements of the Business Corporations Act (Ontario) and the stock exchange on which the Company is listed. The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be outside directors who are unrelated, free from any relationship that, in the opinion of the Board, may interfere with the exercise of his or her independent judgement as a member of the Committee or independence from management and the Company. All members of the Committee shall be financially literate, being defined as able to read and understand basic financial statements, and at least one member of the Committee shall have accounting or related financial management expertise.

Audit Committee members shall be appointed by the Board on recommendation from the nominating process. If an Audit Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate, with meetings to be free of time constraints. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting. For a portion of each meeting, this Committee meets privately in executive session with the external auditors and as a committee to discuss any matters that the Committee, or each of these groups, believe should be discussed as appropriate. In addition,

the Committee, or at least its Chair, should communicate with management and the external auditors quarterly to review the Company's interim financial statements and significant findings based upon the auditors' review procedures.

III. *Audit Committee responsibilities and duties*

REVIEW PROCEDURES

1. Review and reassess the adequacy of this Charter at least annually and submit the Charter to the Board for approval.
2. Review the Company's quarterly and annual audited financial statements and management's discussion and analysis and other disclosure documents containing financial information that would likely be material to either the quarterly or annual statements prior to their approval by the Board and release to the public. Review should include discussion with management and external auditors of significant issues regarding accounting principles, practices and significant management estimates and judgements.
3. Annually, in consultation with management and external auditors, oversee the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the external auditors, together with management's responses. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so. To this end, management is to provide the Audit Committee annually a formal report on internal control, which should set out the role of the external auditors and the internal auditor/controller/CFO in providing information and assurances to the Audit Committee.
4. Review the effectiveness of the overall process for identifying the principal business risks affecting financial reporting and the Company as a whole. Oversee the Company's management of the principal business risks and that they are complete and fairly presented and provide the Committee's view to the Board.
5. Review with financial management and the external auditors the Company's quarterly financial results and related documents prior to the release of earnings and/or the Company's quarterly financial statements prior to filing or distribution. Discuss any significant changes to the Company's accounting principles. The Chair of the Committee may represent the entire Audit Committee for purposes of this review.
6. Periodically, assess the adequacy of procedures for the review of public disclosure of financial information extracted or derived from the financial statements.

EXTERNAL AUDITORS

7. The external auditors are ultimately accountable to the Audit Committee and the Board, as representatives of the shareholders. The Audit Committee shall review the independence and performance of the auditors and annually recommend to the Board the appointment of the external auditors or approve any discharge of auditors when circumstances warrant.
8. The Audit Committee shall approve all auditing fees and other significant compensation to be paid to the external auditors. The Audit Committee has adopted a pre-approval policy for the engagement of non-audit services. Services less than CAD \$10,000 in value are pre-approved provided that the Audit Committee is advised of all such services.
9. On an annual basis, the Committee shall review and discuss with the external auditors all significant relationships they have with the Company that could impair the auditors' independence, as well as assess their working relationship with management.
10. Review the external auditors' audit plan – discuss and approve audit scope, staffing, locations, reliance upon management, and internal audit and general audit approach.
11. Prior to releasing the year-end earnings, discuss the results of the audit with the external auditors. Discuss certain matters with the auditors that are required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.
12. Consider the external auditors' judgements about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting. Resolve disagreements between management and the external auditor regarding financial reporting.

LEGAL COMPLIANCE

13. On at least an annual basis, review with the Company's counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.

OTHER AUDIT COMMITTEE RESPONSIBILITIES

14. Annually assess the effectiveness of the Committee against its Charter and report the results of the assessment to the Board.
15. Prepare and disclose a summary of the Charter to shareholders.
16. Perform any other activities consistent with this Charter, the Company's by-laws, and governing law, as the Committee or the Board deems necessary or appropriate.

17. Maintain minutes of meetings and regularly report to the Board on significant results of the foregoing activities.
18. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
19. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees, of the present and former external auditors.

WAIVERS

20. The Audit Committee, at its sole discretion, may choose to waive disciplinary action in response to non-compliance with the Code. Reko International Group Inc. promptly will disclose any such waivers granted to any of its executive officers, senior financial officers, or directors as required under applicable law and regulation.

The Audit Committee has reviewed this Charter on June 12, 2014.



LEAD DIRECTOR MANDATE

The Independent directors of the Board are represented by an Independent director (the “Lead Director”) who is responsible to support the effective performance of the Independent directors on the Board.

RESPONSIBILITIES

The Lead Director has the following responsibilities:

WITH RESPECT TO INDEPENDENT DIRECTOR EFFECTIVENESS

- (1) Taking all reasonable steps to ensure that the Independent Directors work as a cohesive team within the Board and providing the leadership essential to achieve this.
- (2) Arranging for adequate resources being available to the Independent Directors (in particular timely and relevant information) to support their work.
- (3) Providing input on agenda items for Board of Director meetings that are requested by Independent Directors.

WITH RESPECT TO INDEPENDENT DIRECTOR MANAGEMENT

- (4) Chairing meetings of the Independent Directors (outside of Board committee work of those Independent Directors).
- (5) Taking all reasonable steps to ensure that the conduct of Board meetings facilitates discussions and provides adequate time for effective study and discussion of the business under consideration by the Independent Directors.
- (6) Taking all reasonable steps to ensure that the Independent Directors meet periodically without management and other non-independent directors present.

WITH RESPECT TO THE RELATIONSHIP BETWEEN THE BOARD AND THE INDEPENDENT DIRECTORS

- (7) Taking all reasonable steps to ensure that the expectations of the Board toward the Independent Directors are clearly expressed, understood and respected.
- (8) Acting as liaison between the Board and the Independent Directors outside of normal Board committee mandates. This involves working closely with the Chair of the Board to ensure that the Company is building a healthy governance culture.