

REKO
INTERNATIONAL GROUP INC.

2015 PROXY CIRCULAR

REKO INTERNATIONAL GROUP INC.

469 Silver Creek Industrial Drive
Lakeshore, Ontario
N8N 4W2

NOTICE OF ANNUAL GENERAL MEETING

December 3, 2015

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 3, 2015 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, 2015 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 19th day of October, 2015

By order of the Board of Directors

"Diane Reko", B.COMM
CHIEF EXECUTIVE OFFICER



REKO INTERNATIONAL GROUP INC.

INFORMATION CIRCULAR

Dated as of October 19, 2015

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, ONTARIO ON THURSDAY, DECEMBER 3, 2015 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 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 pm, EST on November 23, 2015 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 CST Trust Company, Att: Proxy Department, Box 721, Agincourt, Ontario, M1S 0A1 at 416-368-2502 or email at proxy@canstockta.com; 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, 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 CST Trust Company, Att: Proxy Dept., P.O. Box 721, Agincourt, Ontario M1S 0A1, by no later than 3:00 p.m. (E.S.T.) on December 1, 2015, 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 19, 2015 (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) 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 4,102,590 Common Shares or approximately 63.8% 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 2015.

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, 2015, together with the Independent Auditors’ report thereon.

2. Election of Directors

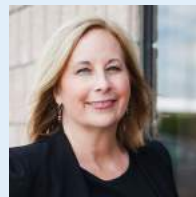
The Company’s articles of incorporation provide that the Board will consist of between three (3) and ten (10) directors. While shareholder approval is required to fix the number of directors outside this range, the Board is authorized to fix the number of directors within this range. In the current year, 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 52-110 – 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 director nominees (75%) are Independent, while the remaining director nominee 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: 1984 INDEPENDENT DIRECTOR: No	Board ⁽¹⁾	10 of 10 100%	Common shares (178,035 shares) ⁽²⁾ \$ 526,984
	Strategic Planning	1 of 1 100%	Stock options (105,000 options) 14,800
	Annual General	1 of 1 100%	TOTAL VALUE OF SECURITIES \$ 541,784
BOARD COMPENSATION			
OTHER PUBLIC COMPANY BOARDS/COMMITTEES			
	(1) - Chair		Annual fee \$ --
			Meeting fee --
			TOTAL BOARD COMPENSATION \$ --

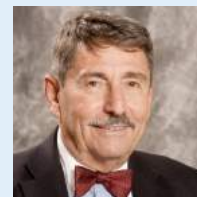
(2) - Does not include 3,032,123 common shares held by Reko Family Corporation, of which Ms. Reko is a director and officer, and a daughter of the controlling shareholder.

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: 1996 INDEPENDENT DIRECTOR: Yes	Board	10 of 10 100%	Common shares (26,100 shares) \$ 77,256
	Audit	4 of 4 100%	Stock options (15,000 options) 14,800
	Compensation	1 of 1 100%	TOTAL VALUE OF SECURITIES \$ 92,056
BOARD COMPENSATION			
OTHER PUBLIC COMPANY BOARDS/COMMITTEES			
	Strategic Planning	1 of 1 100%	Annual fee \$ 12,000
	Annual General	1 of 1 100%	Meeting fee 14,200
			TOTAL BOARD COMPENSATION \$ 26,200



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: 1996 INDEPENDENT DIRECTOR: Yes	Board ⁽¹⁾	10 of 10 100%	Common shares (18,860 shares) \$ 55,826
	Audit ⁽²⁾	4 of 4 100%	Stock options (15,000 options) 14,800
	Compensation ⁽²⁾	1 of 1 100%	TOTAL VALUE OF SECURITIES \$ 70,626
BOARD COMPENSATION			
OTHER PUBLIC COMPANY BOARDS/COMMITTEES			
	Strategic Planning	1 of 1 100%	Annual fee \$ 18,000
	Annual General	1 of 1 100%	Meeting fee 14,200
	(1) - Lead Director		
	(2) - Chair		
			TOTAL BOARD COMPENSATION \$ 32,200

OTHER PUBLIC COMPANY BOARDS/COMMITTEES
Clearford Water Systems Inc. (TSX Venture) - Audit Chair



Mr. Neufeld is the Chief Executive Officer and Chair of the Board of Aphria Inc. Mr. Neufeld is a Chartered 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: 2004 INDEPENDENT DIRECTOR: Yes	Board	10 of 10 100%	Common shares (8,000 shares) \$ 23,680
	Audit Committee	4 of 4 100%	Stock options (15,000 options) \$ 14,800
	Compensation	1 of 1 100%	TOTAL VALUE OF SECURITIES \$ 38,480
BOARD COMPENSATION			
OTHER PUBLIC COMPANY BOARDS/COMMITTEES			
	Strategic Planning	1 of 1 100%	Annual fee \$ 12,000
	Annual General	0 of 1 0%	Meeting fee 14,200
	Aphria Inc. - CEO and Chair of the Board		TOTAL BOARD COMPENSATION \$ 26,200

NOTES:

1. 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 (\$2.96). In valuing stock options for purposes of calculating the total value of securities, we have included only the in-the-money amount of exercisable shares 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" on page 19 for a summary of fees paid to PricewaterhouseCoopers LLP in respect of 2015 and 2014.



Corporate governance

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 in Appendix A and 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, 2015 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 currently Presidents/Chief Executive Officers in other companies), 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 10 years, and Mr. Sartz and Mr. Szonyi for 4 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, *inter alia*, 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 Audit Committee discusses the quality, not just acceptability, of the accounting principles, the reasonableness of significant judgments, 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 management 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.



Pursuant to Reko’s by-laws and the Audit Committee’s written Charter, the Audit 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 fiscal 2015. The Charter is attached as Appendix C.

The Committee met 4 times during fiscal 2015 with representatives of the Independent Auditor at all meetings.

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 Audit 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 Audit 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 Audit Committee approved and Reko paid the following fees to the Independent Auditor for services provided in respect of fiscal 2015 and fiscal 2014:

AUDIT FEES	FISCAL 2015	FISCAL 2014
Audit Fees:		
Audit Fees	\$ 105,000	\$ 92,500
Audit Related Fees:		
Quarterly Reviews	--	22,500
CPAB fees	1,800	2,000
Accounting Matters	--	--
Tax Fees:		
Compliance	--	--
Consulting	--	4,000
All Other Fees:		
Advisory Services	--	--
Research and Development Compliance Fees	--	--
	\$ 106,800	\$ 121,000

In order to further ensure the independence of the Independent Auditor, the Audit Committee reviews and approves the hiring of partners, employees and former partners and employees of the Independent Auditor who were engaged on the Company’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, 2015, the Audit Committee has:

- Reviewed and discussed with senior management and the Independent Auditor the audited Consolidated Financial Statements and MD&A, in respect of 2015 and other forms and reports required to be filed with the Ontario Securities Commission in respect of the fiscal year ended July 31, 2015;
- 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 Audit 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 Audit 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, 2015.

Submitted by the Audit Committee of the Board.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

NAME AND PRINCIPAL POSITION	YEAR	SALARY, CONSULTING FEE, RETAINER OR COMMISSION (\$)	BONUS (\$) ⁽¹⁾	COMMITTEE OR MEETING FEES (\$)	VALUE OF PERQUISITES (\$) ⁽²⁾	VALUE OF ALL OTHER COMPENSATION (\$) ⁽³⁾	TOTAL COMPENSATION (\$)
Diane Reko, Chief Executive Officer & Director	2015	⁽⁹⁾ 225,000	⁽⁶⁾ 61,650	⁽⁹⁾ Nil	Nil	1,500	288,150
	2014	⁽⁴⁾⁽⁹⁾ 216,346	⁽⁶⁾ 200	⁽⁹⁾ Nil	Nil	1,500	218,046
Carl Merton, Chief Financial Officer	2015	215,000	⁽⁷⁾ 51,650	Nil	Nil	1,000	267,650
	2014	200,000	⁽⁷⁾ 15,173	Nil	Nil	1,000	216,173
Peter Gobel, General Manager	2015	143,000	⁽⁸⁾ 32,890	Nil	Nil	1,000	176,890
	2014	⁽⁵⁾ 138,931	⁽⁸⁾ 32,890	Nil	Nil	1,000	172,821
Andrew Szonyi, Director	2015	18,000	Nil	14,200	Nil	Nil	32,200
	2014	18,000	Nil	11,800	Nil	Nil	29,800
John Sartz, Director	2015	12,000	Nil	14,200	Nil	Nil	26,200
	2014	12,000	Nil	9,600	Nil	Nil	21,600
Victor Neufeld, Director	2015	12,000	Nil	14,200	Nil	Nil	26,200
	2014	12,000	Nil	11,800	Nil	Nil	23,800

NOTES:

- (1) Amounts disclosed under the "Bonus" column represent cash bonuses, some of which are mandated by employment contracts. Bonus amounts for the fiscal year ended July 31, 2015 will be paid in the fiscal year ended July 31, 2016 and bonus amounts for fiscal year ended July 31, 2014 were paid in the fiscal year ended July 31, 2015.
- (2) Perquisites and other personal benefits do not exceed: (i) \$15,000 for NEOs (as hereinafter defined) or directors with a total annual salary of \$150,000 or less; and (ii) 10% of total annual salary for each of the NEOs with a total annual salary of more than \$150,000.
- (3) Amount includes payments made on behalf of NEOs for Group RRSPs.
- (4) At July 31, 2014, Ms. Reko's base salary as Chief Executive Officer was \$225,000.
- (5) At July 31, 2014, Mr. Gobel's base salary was \$143,000.
- (6) Ms. Reko's 2015 bonus includes a portion related to a contractual amount based on corporate profitability (\$41,650) plus a discretionary award related to the Company's new precision machining contract (\$20,000). Ms. Reko's 2014 bonus is an annual Christmas bonus paid to all employees (\$200).
- (7) Mr. Merton's 2015 bonus includes a portion related to a contractual amount based on corporate profitability (\$41,650) plus a discretionary award related to the Company's new precision machining contract (\$10,000). Mr. Merton's 2014 bonus is a contractual amount based on corporate profitability (\$15,173).
- (8) Mr. Gobel's 2015 bonus is based on the profitability of the product line Mr. Gobel manages (\$32,890). Mr. Gobel's 2014 bonus is based on the profitability of the product line Mr. Gobel manages (\$32,890).
- (9) Ms. Reko was not paid any committee or meeting fees in her position as director of the Company.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

NAME AND POSITION	TYPE OF COMPENSATION SECURITY	NUMBER OF COMPENSATION SECURITIES, NUMBER OF UNDERLYING SECURITIES AND PERCENTAGE OF CLASS	DATE OF ISSUE OR GRANT	ISSUE, CONVERSION OR EXERCISE PRICE (\$)	CLOSING PRICE OF SECURITY OR UNDERLYING SECURITY ON DATE OF GRANT (\$)	CLOSING PRICE OF SECURITY OR UNDERLYING SECURITY AT YEAR-END (\$)	EXPIRY DATE
Diane Reko, Chief Executive Officer & Director	Stock option	⁽¹⁾ 100,000 1.45%	November 4, 2014 ⁽⁷⁾	2.00	2.00	3.10	November 4, 2019
Carl Merton, Chief Financial Officer	Stock option	⁽²⁾ 80,000 1.16%	November 4, 2014 ⁽⁷⁾	2.00	2.00	3.10	November 4, 2019
Peter Gobel, General Manager	Stock option	⁽³⁾ 30,000 0.44%	November 4, 2014 ⁽⁷⁾	2.00	2.00	3.10	November 4, 2019
Andrew Szonyi, Director	Stock option	⁽⁴⁾ 10,000 0.15%	November 4, 2014 ⁽⁷⁾	2.00	2.00	3.10	November 4, 2019
John Sartz, Director	Stock option	⁽⁵⁾ 10,000 0.15%	November 4, 2014 ⁽⁷⁾	2.00	2.00	3.10	November 4, 2019
Victor Neufeld, Director	Stock option	⁽⁶⁾ 10,000 0.15%	November 4, 2014 ⁽⁷⁾	2.00	2.00	3.10	November 4, 2019

NOTES:

- (1) At July 31, 2015, Ms. Reko holds a total of 105,000 unexercised stock options for an aggregate of 105,000 Common Shares.
- (2) At July 31, 2015, Mr. Merton holds a total of 85,000 unexercised stock options for an aggregate of 85,000 Common Shares.
- (3) At July 31, 2015, Mr. Gobel has holds a total of 35,000 unexercised stock options for an aggregate of 35,000 Common Shares.
- (4) At July 31, 2015, Mr. Szonyi holds a total of 15,000 unexercised stock options for an aggregate of 15,000 Common Shares.
- (5) At July 31, 2015, Mr. Sartz holds a total of 15,000 unexercised stock options for an aggregate of 15,000 Common Shares.
- (6) At July 31, 2015, Mr. Neufeld holds a total of 15,000 unexercised stock options for an aggregate of 15,000 Common Shares.
- (7) The stock options granted on November 4, 2014 vest entirely on the grant date, however, they are only exercisable upon the sale of assets of the Company to a third party through one or more transactions with an aggregate purchase price equal to or greater than 65% of the value of the net assets of the Company as at the grant date. The Company granted the remaining outstanding stock options (the "Existing Options") on October 2, 2013. The Existing Options vested: (i) immediately for directors; and (ii) for employees, 30% immediately, 30% on the first anniversary of the grant date and 40% on the second anniversary of the grant date. The Existing Options expire after five years of the grant date.

EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NEOS

NAME AND POSITION	TYPE OF COMPENSATION SECURITY	NUMBER OF UNDERLYING SECURITIES EXERCISED	EXERCISE PRICE PER SECURITY (\$)	DATE OF EXERCISE	CLOSING PRICE PER SECURITY ON DATE OF EXERCISE (\$)	DIFFERENCE BETWEEN EXERCISE PRICE AND CLOSING PRICE ON DATE OF EXERCISE (\$)	TOTAL VALUE ON EXERCISE DATE (\$)
Diane Reko, Chief Executive Officer & Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Carl Merton, Chief Financial Officer	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Peter Gobel, General Manager	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Szonyi, Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
John Sartz, Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Victor Neufeld, Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

STOCK OPTION PLAN

AMENDED AND RESTATED INCENTIVE STOCK OPTION PLAN, EFFECTIVE MARCH 24, 1994, AMENDED AND REVISED SEPTEMBER 26, 1997 (THE "STOCK OPTION PLAN")	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS AS AT JULY 31, 2015	WEIGHTED AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING NUMBER CURRENTLY OUTSTANDING)
	455,000	\$1.90	72,509

The Stock Option Plan has been approved by the security holders of the Company and there are no equity compensation plans unapproved by security holders.

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 of employees, options vest at a rate of 30% immediately, 30% on the first anniversary date of the grant, and 40% on the second anniversary date of the grant.

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 the Employee Share Purchase Assistance 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.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

Material provisions

The Company has entered into employment contracts with two of its named executive officers (“NEOs”, as defined in National Instrument 51-102F6V). Mr. Merton entered into an employment contract with the Company in 2009. Ms. Reko entered into an employment contract with the Company in 2012.

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.

Termination provisions

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 NEOs is approximately \$0.88 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⁾ 215,000	⁽¹⁾ 215,000	⁽¹⁾ 430,000
Peter Gobel	Nil	Nil	Nil

NOTES:

(1) As of July 31, 2015, represents maximum amount potentially due at any point during fiscal 2016.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NEO COMPENSATION

Director Compensation

Director compensation is determined by the Board based on the recommendations of the Compensation Committee on an ad hoc basis. Director compensation was last reviewed in 2014.

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:

- (i) the relatively small size of the Company;
- (ii) the experience and knowledge of the directors; and
- (iii) 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 Chair of the Audit Committee and the Lead Director, the retainer for this position is at a higher level than that of the 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 General Meeting, the lack of vesting period on the options should reduce the risk of lost compensation, should a director proactively challenge the management or other Board members and subsequently not be asked to stand for re-election. 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 the directors or executive officers to own any amount of Common Shares, all of them are currently shareholders.

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.

NEO Compensation

NEO compensation is determined by the Board based on the recommendations of the Compensation Committee on an ad hoc basis, generally tied to changes in market conditions. The Compensation Committee considers the skill, ability and experience of each individual NEO and has relied in the past on third party research; analysis of compensation surveys; first-hand knowledge of compensation levels and practices in the automobile industry; and interviews with management. The Compensation Committee has concluded, after review of industry and Company related criteria that Reko's NEOs have performed acceptably given the current economic environment.

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 transportation and oil & gas 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 NEOs include:

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

NEOs are also entitled to standard benefits and perquisites. 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 2015, 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. At the end of fiscal 2015 Ms. Reko's base salary was \$225,000, Mr. Merton's base salary was \$215,000 and Mr. Gobel's base salary was \$135,000. Base salaries of our other employees are set out in the employee's employment contract or letter of employment.

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.

Mr. Gobel's bonus is calculated based on a percentage of his salary for achievement of each of a number of goals. The bonus is calculated as 10% of his salary for attainment of budgeted operating income for the division for which he is responsible, 10% of his salary for attainment of a 15% return on net assets for his subsidiary, as well as up to 3% of his salary for achievement of various goals

assigned by the CEO. Subject to market conditions, it is more likely than not that Mr. Gobel will receive his bonus. The Company does not publicly disclose the targets for subsidiary budgeted operating income and subsidiary 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 pursuant to the exemption set out in Form 51-102F6V, Item 2.6(4). In particular, due to the composition of the industry in which Mr. Gobel's subsidiary operates, disclosing this information is likely to result in a significant competitive disadvantage for the Company within such industry. 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 company 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, NEOs are encouraged, but not required, to own Reko shares directly or indirectly. Ms. Reko and Mr. Merton own shares of the Company directly, while Mr. Gobel does not.

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 fiscal 2015, the Company granted 160,000 options to non-NEO employees, 30,000 options to Mr. Gobel, 80,000 options to Mr. Merton, 100,000 options to Ms. Reko and 10,000 options to each of the directors.

Option awards are discretionary, as approved by the Compensation Committee and the Board. The CEO and Chair of the Board has 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 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 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 directors, senior executives and managerial talents at other levels.

Perquisites and personal benefits

The primary purpose of providing benefits and limited perquisites to the NEOs is to attract and retain the talent to manage the Company. Perquisites and personal benefits for NEOs 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-imbusement 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.

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.

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 23.

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

Indebtedness of Directors, Executive Officers, and Employees

None of Reko's present or former directors or executive officers was indebted as of the date of this Circular or at any time preceding the date of this Circular during 2015 to Reko or its subsidiaries.

None of Reko's nor any of its subsidiaries' present or former employees was indebted as of the date of this Circular or at any time preceding the date of this Circular 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 mailed 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 2015.

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 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 \$24,500.

SHAREHOLDER PROPOSALS AND COMMUNICATIONS

Proposals of shareholders intended to be presented at the Annual General Meeting of Shareholders to be held in calendar 2016 must be received by Reko at its principal executive offices for inclusion in its Management Information Circular/Proxy Statement on or before October 1, 2016.

CONTACTING THE BOARD OF DIRECTORS

Shareholders wishing to communicate with any director of the Company 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 Circular have been approved and its distribution has been authorized by the Board.

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 19th day of October, 2015

By order of the Board of Directors

"Diane Reko",
CHAIR

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 Company's external auditor, legal counsel and to any of the Company'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 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 Corporate Governance Disclosure as found in this 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 9, 2015.

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

The Company 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 of Ethics. The Audit Chair is an Independent director, and his contact information is available in the Whistleblower Policy, available on our website. 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 through multiple sources, including the survey Corporate Board Governance and Director Compensation in Canada, published by Korn Ferry in partnership with Patrick O'Callaghan & Associates, 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. Discussion of directors' compensation can be found on pages 29 and 30 of this Circular and NEOs' compensation can be found on page 23 of this Circular. 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 Corporate Governance Disclosure. 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 Company'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 9, 2015.

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 judgment 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 judgments.
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' judgments 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 4, 2015.

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 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.

