FLYHT Aerospace Solutions Ltd.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held at
Four Points by Sheraton
2875 Sunridge Way NE, Calgary, Alberta T1Y 7K7

Tuesday, June 2, 2015

2:00 PM (Calgary time)

MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

May 1, 2015

FLYHT AEROSPACE SOLUTIONS LTD.
300E, 1144 – 29 Avenue NE, Calgary, Alberta T2E 7P1

NOTICE OF AN ANNUAL & SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an Annual & Special Meeting of holders of common shares of FLYHT Aerospace Solutions Ltd. (the "Corporation") will be held at Four Points by Sheraton, 2875 Sunridge Way NE, Calgary, Alberta T1Y 7K7 at 2:00 p.m. (Calgary time), on Tuesday, June 2, 2015, for the following purposes:

1. to receive the audited financial statements of the Corporation for the fiscal year ended December 31, 2014, together with the report of the auditors thereon;

2. to fix the number of directors at nine (9) and to elect the board of directors for the ensuing year;

3. to appoint KPMG LLP as the auditors of the Corporation for the ensuing year and to authorize the board of directors to fix the auditors' remuneration;

4. to consider and, if thought advisable, to pass, with or without variation, a special resolution to approve the consolidation of the issued and outstanding Common Shares of the Corporation on a "1 new for up to 10 old" basis, as more particularly described in the Management Proxy Circular;

5. to consider and, if deemed advisable, to pass with or without variation, an ordinary resolution approving the 2015 stock option plan, as more particularly described in the accompanying Management Proxy Circular; and

6. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

DATED at Calgary, Alberta, this 29 day of April, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Douglas Marlin*"
Douglas Marlin
Chairman and Director

IMPORTANT

It is desirable that as many securities as possible be represented at the meeting. If you do not expect to attend and would like your securities represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Corporation, Valiant Trust Company, 310, 606 – 4 Street, Calgary, Alberta, T2P 1T1, at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the meeting or any adjournment thereof.

FLYHT AEROSPACE SOLUTIONS LTD.

MANAGEMENT INFORMATION CIRCULAR

For the Annual & Special Meeting of Shareholders
to be held on June 2, 2015

PROXIES

Solicitation of Proxies

This management information circular and proxy statement (the "Management Proxy Circular") is furnished in connection with the solicitation of proxies by the management of FLYHT Aerospace Solutions Ltd. (the "Corporation") for use at the Annual & Special Meeting of the holders (the "Shareholders") of common shares (the "Common Shares") of the Corporation to be held at 2:00 p.m. (Calgary time) on June 2, 2015, at Four Points by Sheraton, 2875 Sunridge Way NE, Calgary, Alberta T1Y 7K7 and at any adjournment thereof (the "Meeting"), for the purposes set forth in the Notice of Meeting accompanying this Management Proxy Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation.

Appointment of Proxyholders

Accompanying this Management Proxy Circular is an instrument of proxy for use at the Meeting. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **All properly executed instruments of proxy for Shareholders must be mailed so as to reach or be deposited at the offices of Valiant Trust Company, 310, 606 – 4 Street SW, Calgary, Alberta T2P 1T1 not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof.**

The persons designated in the instrument of proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the accompanying instrument of proxy, to attend at and represent the Shareholder at the Meeting**. To exercise this right, a Shareholder should insert the name of the designated representative in the blank space provided on the instrument of proxy and strike out the names of management's nominees. Alternatively, a Shareholder may complete another appropriate instrument of proxy.

Signing of Proxy

The instrument of proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

Revocability of Proxies

A Shareholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournments thereof, at which the instrument of proxy is to be used; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, an instrument of proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a duly authorized representative of the corporation attending at the Meeting and voting such securities; or (ii) in any other manner permitted by law.

Voting of Proxies and Exercise of Discretion by Proxyholders

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the instrument of proxy will be voted in accordance with such instructions. The management designees named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing him or her on any ballot that may be called for at the Meeting. **Each Shareholder can vote for all of the nominated directors, vote for some of them and withhold for others, or withhold for all of them. In the absence of such direction, such Common Shares will be voted "FOR" the proposed resolutions at the Meetings, including the election of each of the nominated directors. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Management Proxy Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON

Except as disclosed in this Management Proxy Circular, none of the directors or executive officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted on, other than the election of directors or the appointment of auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting of Common Shares – General

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is May 3, 2015 (the "Record Date"). Only Shareholders whose names are entered in the Corporation's register of shareholders at the close of business on that date and holders of Common Shares issued by the Corporation after such date and prior to the Meeting will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Common Shares at the Meeting.

The Corporation is authorized to issue an unlimited number of Common Shares without par value and an unlimited number of Preferred Shares. On the Record Date, of the Corporation's authorized Common Shares, 172,435,135 Common Shares were issued and outstanding as fully paid and non-assessable and no other shares were outstanding.

Voting of Common Shares – Advice to Non-Registered Holders

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "Non-Registered Holder") are registered either:

(a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or

(b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or "CDS").

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice, this Management Proxy Circular and the instrument of proxy (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company (such as ADP Investor Communications ("ADP")) to forward meeting materials to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive meeting materials will:

(a) have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Non-Registered Holder in accordance with the directions on the voting instruction form; voting instruction forms sent by ADP permit the completion of the voting instruction form by telephone or through the Internet at www.proxyvotecanada.com; or

(b) less typically, be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Valiant Trust Company at the address referred to above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.**

Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set above.

Voting by Internet

FLYHT Aerospace Solutions Ltd. Shareholders may use the internet site at www.valianttrust.com to transmit their voting instructions. Shareholders should have the form of proxy in hand when they access the web site and will be prompted to enter their Control Number, which is located on the form of proxy. If Shareholders vote by internet, their vote must be received not later than 2:00 p.m. (Calgary time) on May 29, 2015 or 48 hours prior to the time of any adjournment of the Meeting. The website may be used to appoint a proxyholder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxyholder and submits their voting instructions and subsequently wishes to change their appointment, a Shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recent submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered revoked, provided that the last proxy is submitted by the deadline noted above.

Principal Holders of Common Shares

The following table sets forth, to the best of the knowledge of the directors and executive officers of the Corporation, as at the date hereof, the only persons, corporations or other entities (other than securities depositories) who beneficially own, directly or indirectly, or exercise control or discretion over voting securities carrying more than 10% of the voting rights attached to the Common Shares of the Corporation.

Name	Type of Share	Type of Ownership	Number of Shares	Percentage of Type of Share
Roadmap Capital Inc.	Common Shares	Direct and Indirect[(1)]	**16,622,000**	**9.6**%

Notes:

(1) Aggregating the securities of the Corporation owned by BluMont Innovation PE Strategy Fund and Roadmap Trust, Roadmap Capital Inc. may be considered to control 16,622,000 Common Shares of the Corporation.

Quorum

Pursuant to the by-laws of the Corporation, a quorum of Shareholders is present at the Meeting irrespective of the number of persons actually present if two Shareholders or duly appointed proxyholders are present in person, each being a shareholder entitled to vote at the Meeting. Pursuant to the *Canada Business Corporations Act* and the by-laws, if a quorum is present at the opening of the Meeting, the Shareholders present may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the Shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business.

STATEMENT OF EXECUTIVE COMPENSATION

Summary Compensation Table

Executive Compensation is required to be disclosed for (i) each Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) each of the three most highly compensated executive officers (other than the Chief Executive Officer and the Chief Financial Officer) who were serving as executive officers for the Corporation or any of its subsidiaries at the end of the most recently completed fiscal year (or three most highly compensated individuals acting in a similar capacity) and whose total compensation was, individually, more than $150,000 (the "Named Executive Officers"). The Named Executive Officers of the Corporation or any of its subsidiaries for the fiscal year ended December 31, 2014 are William Tempany, President and Chief Executive Officer, Thomas R. French, retired Vice President Finance and Chief Financial Officer, Nola M. Heale, VP Finance and Chief Financial Officer, Matthew Bradley, President, Derek Graham, Chief Technical Officer and Jeff Brunner, Vice President Certification Engineering and China Operations. There were no other Named Executive Officers in 2014, as no other employees earned in excess of $150,000 in 2014.

Compensation of the Named Executive Officers of the Corporation is reviewed annually by the governance and compensation committee (the " Governance and Compensation Committee") and is subsequently approved by the board of directors of the Corporation based on the recommendation of the Governance and Compensation Committee. During the most recently completed financial year, the members of the Governance and Compensation Committee were Michael Brown, Barry Eccleston, Jacques Kavafian, Douglas Marlin and Jack Olcott, all of whom are considered to be independent directors. The members of the Governance and Compensation Committee are each experienced in compensation issues based on their present or prior involvement at the executive or board level with a variety of organizations. The compensation of the Corporation's Named Executive Officers consists principally of a base salary and variable compensation, if any. In the case of Mr. Bradley, an additional performance based component has been added. Named Executive Officers are also eligible to participate in the Corporation's stock option plan (the "Stock Option Plan") as described herein.

The board of directors of the Corporation and the Governance and Compensation Committee's objective in setting compensation levels is that the aggregate compensation received by Named Executive Officers be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are employed by other companies of corresponding size and stage of development. In setting such levels, the board and the Governance and Compensation Committee rely primarily on their own experience and knowledge. The Governance and Compensation Committee has not retained the assistance of a compensation consultant.

Compensation provided to Named Executive Officers consists of two principal components: (1) base salaries and variable compensation; and (2) options granted pursuant to the Corporation's Stock Option Plan. In the case of Mr. Bradley, a third component, performance based compensation has been added.

Base Salaries and Variable Compensation – The Corporation's view of base salaries is that they should be competitive with industry peers, to the extent that can be determined, and with other public companies at similar stages of development and having similar assets, number of employees, market capitalization and profit margin. Employment agreements entered into with Named Executive Officers also provide that the salary is subject to normal periodic review on or about the anniversary date of any employment agreement. In addition to the salary, the board of directors of the Corporation may from time to time pay a variable compensation to Named Executive Officers for either the accomplishment of specific performance criteria or for exceptional performance.

Options – Pursuant to the Corporation's Stock Option Plan, the board of directors of the Corporation, at its discretion, determines all grants of stock options to Named Executive Officers. Such grants are considered incentives intended to align the Named Executive Officers' and Shareholders' interests in the long term. The Corporation emphasizes stock options in executive compensation as they allow the Named Executive Officers to share in corporate results in a manner that is relatively cost-effective despite the effects of treating stock options as a compensation expense. The Governance and Compensation Committee provides recommendations to the board of directors with respect to option grants to Named Executive Officers.

Performance Based and Deferred Compensation – In 2014, Mr. Bradley received commissions on the sales of the Corporation directly attributed to his department.

The Corporation has entered into a management agreement with Mr. Tempany which sets forth the terms of his compensation. The Corporation had entered into employment agreements with Mr. French, Mr. Brunner and Mr. Graham. Prior to February 1, 2014, the Corporation had entered into an employment agreement with Mr. Bradley. Mr. Bradley was promoted to President of the Corporation on February 1, 2014. Effective February 1, 2014 the Corporation entered into an executive employment agreement with Mr. Bradley which set forth the terms of his compensation. Effective September 15, 2014 Mr. French resigned as Vice President Finance and Chief Financial Officer of the Corporation and Mrs. Heale was appointed as Vice President Finance and Chief Financial Officer and entered into an employment agreement which sets forth the terms of her compensation. Each of these agreements is, as applicable, reviewed by the Governance and Compensation Committee on an annual basis.

Compensation of William Tempany, President and Chief Executive Officer for 2014 (resigned as President on February 1, 2014)

William Tempany, Chief Executive Officer of the Corporation, entered into a management agreement with the Corporation effective January 1, 2005, which governs the terms of his employment with the Corporation. Mr. Tempany's employment agreement provides for gross annual remuneration of no less than $144,000 (and thereafter such increased amount as the board of directors approve ($192,000 in 2014)) and such benefits as the Corporation may offer to its officers and employees from time to time. These benefits include basic life and disability insurance, health and dental coverage and a health care spending account to a maximum of $15,000 per year. Mr. Tempany is also entitled to receive such additional remuneration, by way of variable compensation or otherwise, as the board of directors may approve, to fairly compensate him for any exceptional performance in discharging the duties and responsibilities of his office. Mr. Tempany's employment agreement is for an indefinite term, and may be terminated by the Corporation upon a resolution of the board of directors being passed by no less than two-thirds of the board of directors of the Corporation or by Mr. Tempany with not less than 90 days' notice to the Corporation (except where it relates to a change of control or constructive dismissal). In the event that Mr. Tempany's employment is terminated with or without cause by the Corporation, then Mr. Tempany shall be entitled to certain additional payments (see "*Statement of Executive Compensation – Termination and Change of Control Benefits*" herein). In the event of any such termination, for any reason, any unvested stock options held by Mr. Tempany would expire and terminate and any vested options would have to be exercised within a specified period of time. Pursuant to his employment agreement, Mr. Tempany has agreed to not compete with the Corporation for a period of twelve months from the date of the termination of employment, subject to the term that if the Corporation wishes to impose any non-compete restrictions on Mr. Tempany for a period up to 12 months, then the Corporation agrees to pay Mr. Tempany an amount equal to Mr. Tempany's then current monthly salary for each month that the restrictive covenant is to be in effect. For a summary of compensation paid to Mr. Tempany in respect of the year ended December 31, 2014, please refer to the *Summary Compensation Table* below.

Compensation of Thomas R. French, CGA, VP Finance and Chief Financial Officer for 2014 (resigned as of September 15, 2014)

Thomas R. French, acted as VP Finance and Chief Financial Officer of the Corporation until his resignation on September 15, 2014. Mr. French entered into a letter of employment with the Corporation dated August 11, 2006, which governs the terms of his employment with the Corporation. Mr. French's letter of employment provided for gross annual remuneration of $150,000 (subject to periodic reviews by the Corporation). Mr. French was also offered the ability to participate and receive benefits as the Corporation may offer to its officers and employees from time to time. These benefits include basic life and disability insurance, health and dental coverage and a health care spending account to a maximum of $15,000 per year. Mr. French was also entitled to receive such additional remuneration, by way of variable compensation or otherwise, as the board of directors may approve based on his achievement of specific goals as mandated by the Corporation. Variable compensation of $50,000 was awarded to Mr. French in 2014 based on his achievement of individual objectives during 2014. Effective September 15, 2014 Mr. French entered into a new employment contract for his role of Director Transition Support which governed the terms of his employment until December 31, 2014. Such letter of employment provided for gross monthly remuneration of $19,050 (subject to periodic reviews by the Corporation) and continued the ability to participate and receive benefits as the Corporation may offer to its officers and employees from time to time. These benefits include basic life and disability insurance, health and dental coverage and a health care spending account to a maximum of $15,000 per year. Mr. French was also entitled to receive such additional remuneration, by way of variable compensation or otherwise, as the board of directors may approve. On termination, Mr. French was entitled to a severance payment of $275,000, and continued entitlement until December 31, 2016 to participate and receive health and dental coverage and a health care spending account to a maximum of $15,000 per year, subject to compliance with certain non-competition, non-solicitation, confidentiality, proprietary and moral rights covenants. For a summary of compensation paid to Mr. French in respect of the year ended December 31, 2014, please refer to the *Summary Compensation Table* below.

Compensation of Matthew Bradley, President for 2014 (appointed on February 1, 2014)

Matthew Bradley, was appointed President in 2014. For his role prior to his appointment, his employment was governed by a letter of employment with the Corporation dated July 15, 2008. Such letter of employment provided for gross annual remuneration of $150,000 (subject to periodic reviews by the Corporation). Mr. Bradley was also offered the ability to participate and receive benefits as the Corporation may offer to its officers and employees from time to time. These benefits included basic life and disability insurance, health and dental coverage and a health care spending account to a maximum of $15,000 per year. Mr. Bradley was also entitled to receive such additional remuneration, by way of variable compensation and/or commissions or otherwise, as the board of directors may approve based on his achievement of specific goals as mandated by the Corporation. Mr. Bradley received a sales commission payment deferred from prior years of $10,998 during 2014. Mr. Bradley was promoted to President of the Corporation on February 1, 2014 and he entered into an executive employment agreement effective January 31, 2014 which governs the ongoing terms of his current employment with the Corporation. Mr. Bradley's agreement provides for gross annual remuneration of no less than $192,000 and thereafter such increased amount as the board of directors approve and such benefits as the Corporation may offer to its officers and employees from time to time. These benefits include basic life and disability insurance, health and dental coverage and a health care spending account to a maximum of $15,000 per year, company supplied accommodation in Calgary to a maximum of $3,000 per month, twelve (12) company paid trips to his primary residence per annum and use of a company-owned vehicle. Mr. Bradley is also entitled to receive such additional remuneration, by way of variable compensation or otherwise, as the board of directors may approve, to fairly compensate him for any exceptional performance in discharging the duties and responsibilities of his office. Mr. Bradley's employment agreement is for an indefinite term and may be terminated by the Corporation without notice (except where it relates to a change of control or constructive dismissal) subject to termination payment provisions. In the event that Mr. Bradley's employment is terminated with or without cause by the Corporation, Mr. Bradley shall be entitled to certain additional payments (see "*Statement of Executive Compensation – Termination and Change of Control Benefits*" herein). In the event of any such termination, for any reason, any unvested stock options held by Mr. Bradley would expire and terminate and any vested options would have to be exercised within a specified period of time. Pursuant to his employment agreement, Mr. Bradley has agreed to not compete with the Corporation for a period equal to the severance period. For a summary of compensation paid to Mr. Bradley in respect of the year ended December 31, 2014 please refer to the *Summary Compensation Table* below.

Compensation of Jeffrey Brunner, P.Eng, VP Certification Engineering and China Operations for 2014

Jeffrey Brunner, Vice President Certification Engineering and China Operations in 2014, entered into a letter of employment with the Corporation dated July 7, 2004, which governs the terms of his employment with the Corporation. Mr. Brunner's letter of employment provided for gross annual remuneration of $78,000 (subject to periodic reviews by the Corporation ($132,000 in 2014)). Mr. Brunner was also offered the ability to participate and receive benefits as the Corporation may offer to its officers and employees from time to time. These benefits included basic life and disability insurance, health and dental coverage and a health care spending account to a maximum of $15,000 per year. Mr. Brunner was entitled to receive such additional remuneration, by way of variable compensation, as the board of directors may approve based on his achievement of specific goals as mandated by the Corporation. Mr. Brunner was awarded $31,270 in 2014 based on his achievement of individual objectives and including an incentive deferred from prior years. Effective January 31, 2014, Mr. Brunner was re-assigned from Vice President Operations to Vice President Certification Engineering and China Operations. For a summary of compensation paid to Mr. Brunner in respect of the year ended December 31, 2014 please refer to the *Summary Compensation Table* below.

Compensation of Derek Graham, Chief Technical Officer for 2014

Derek Graham, Chief Technical Officer in 2014, entered into an employment contract with the Corporation dated April 1, 2013, which governs the terms of his employment with the Corporation. Mr. Graham's employment contract provided for gross annual remuneration of $150,000 (subject to periodic reviews by the Corporation). Mr. Graham was also offered the ability to participate and receive benefits as the Corporation may offer to its officers and employees from time to time. These benefits included basic life and disability insurance, health and dental coverage and a health care spending account to a maximum of $15,000 per year. Mr. Graham was entitled to receive such additional remuneration, by way of variable compensation, as the board of directors may approve based on his achievement of specific goals as mandated by the Corporation. Mr. Graham was awarded $11,279 in 2014 based on his achievement of individual objectives. Effective January 22, 2014, Mr. Graham was re-assigned from Chief Operating Officer to Chief Technical Officer. For a summary of compensation paid to Mr. Graham in respect of the year ended December 31, 2014 please refer to the *Summary Compensation Table* below.

Compensation of Nola Heale, CA, VP Finance and Chief Financial Officer for 2014 (appointed on September 15, 2014)

Nola Heale, Vice President Finance and Chief Financial Officer, entered into an employment contract with the Corporation dated September 15, 2014, which governs the terms of her employment with the Corporation. Mrs. Heale's employment contract provided for gross annual remuneration of $180,000 (subject to periodic reviews by the Corporation). Mrs. Heale was also offered the ability to participate and receive benefits as the Corporation may offer to its officers and employees from time to time. These benefits include basic life and disability insurance, health and dental coverage and a health care spending account to a maximum of $15,000 per year. Mrs. Heale is entitled to receive such additional remuneration, by way of variable compensation or otherwise, as the board of directors may approve based on achievement of specific goals as mandated by the Corporation. For a summary of compensation paid to Mrs. Heale in respect of the year ended December 31, 2014 please refer to the *Summary Compensation Table* below.

Summary Compensation Table

The following table sets forth information concerning the total compensation paid during the year ended December 31, 2014 to the Named Executive Officers.

		Annual Compensation			Non-Equity Incentive Plan Compensation ($)				
Name and Principal Position	**Fiscal Year Ended Dec. 31**	**Salary ($)**	**Share-Based Awards ($)**	**Option-Based Awards ($)**	**Annual Incentive Plans**	**Long-Term Incentive Plans**	**Severance/ Pension Value ($)**	**All Other Compen-sation ($)[1]**	**Total Compen-sation ($)**
William Tempany *President and Chief Executive Officer*[18]	2014	$192,000	Nil	$43,853[2]	Nil	Nil	Nil	$100,000	$335,853
	2013	$192,000	Nil	$27,450[3]	Nil	Nil	Nil	Nil	$219,450
	2012	$192,000	Nil	$32,625[4]	Nil	Nil	Nil	$75,000	$299,625

Name and Principal Position	Fiscal Year Ended Dec. 31	Annual Compensation: Salary ($)	Annual Compensation: Share-Based Awards ($)	Annual Compensation: Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($): Annual Incentive Plans	Non-Equity Incentive Plan Compensation ($): Long-Term Incentive Plans	Severance/ Pension Value ($)	All Other Compensation ($)[1]	Total Compensation ($)
Thomas R. French	2014	$172,925	Nil	$29,235[5]	Nil	Nil	$275,000[17]	$50,000	$527,160
VP Finance and Chief Financial Officer[17]	2013	$150,000	Nil	$18,300[6]	Nil	Nil	Nil	$50,000	$218,300
	2012	$150,000	Nil	$21,750[7]	Nil	Nil	Nil	$55,000	$226,750
Matthew Bradley	2014	$188,500	Nil	$29,235[8]	Nil	Nil	Nil	$10,998	$228,733
President[18]	2013	$150,000	Nil	$12,200[9]	Nil	Nil	Nil	$36,503	$198,703
	2012	$150,000	Nil	$14,500[10]	Nil	Nil	Nil	$83,092	$247,592
Jeffrey Brunner									
VP Certification Engineering and China Operations[19]	2014	$132,000	Nil	$19,490[11]	Nil	Nil	Nil	$31,270	$177,770
	2013	$132,000	Nil	$12,200[12]	Nil	Nil	Nil	$14,707	$158,907
	2012	$132,000	Nil	$14,500[13]	Nil	Nil	Nil	$15,293	$161,793
Derek Graham									
Chief Technical Officer[20]	2014	$150,000	Nil	$19,490[14]	Nil	Nil	Nil	$11,279	$180,769
	2013	$112,500	Nil	$24,400[15]	Nil	Nil	Nil	$10,000	$146,900
Nola Heale									
VP Finance and Chief Financial Officer[21]	2014	$53,308	Nil	$41,535[16]	Nil	Nil	Nil	Nil	$94,843

Notes:

(1) Other Compensation was solely comprised, in each case, of commission or variable compensation. Perquisites and other personal benefits, securities or property, received did not exceed the lesser of $50,000 and 10% of the total annual salary and bonuses for the Named Executive Officers.

(2) Mr. Tempany's award of options to acquire 225,000 Common Shares of the Corporation at a price of $0.40 with expiry December 31, 2017 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.48% per annum, a weighted average expected life of 3.52 years, expected weighted average share price volatility of 74% and an expected weighted average dividend yield of 0%.

(3) Mr. Tempany's award of options to acquire 225,000 Common Shares of the Corporation at a price of $0.25 with expiry December 31, 2016 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.20% per annum, a weighted average expected life of 3.6 years, expected weighted average share price volatility of 100% and an expected weighted average dividend yield of 0%.

(4) Mr. Tempany's award of options to acquire 225,000 Common Shares of the Corporation at a price of $0.25 with expiry December 31, 2015 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.41% per annum, a weighted average expected life of 3.6 years, expected weighted average share price volatility of 102% and an expected weighted average dividend yield of 0%.

(5) Mr. French's award of options to acquire 150,000 Common Shares of the Corporation at a price of $0.40 with expiry December 31, 2017 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.48% per annum, a weighted average expected life of 3.52 years, expected weighted average share price volatility of 74% and an expected weighted average dividend yield of 0%.

(6) Mr. French's award of options to acquire 150,000 Common Shares of the Corporation at a price of $0.25 with expiry December 31, 2016 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.20% per annum, a weighted average expected life of 3.6 years, expected weighted average share price volatility of 100% and an expected weighted average dividend yield of 0%.

(7) Mr. French's award of options to acquire 150,000 Common Shares of the Corporation at a price of $0.25 with expiry December 31, 2015 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.41% per annum, a weighted average expected life of 3.6 years, expected weighted average share price volatility of 102% and an expected weighted average dividend yield of 0%.

(8) Mr. Bradley's award of options to acquire 150,000 Common Shares of the Corporation at a price of $0.40 with expiry December 31, 2017 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.48% per annum, a weighted average expected life of 3.52 years, expected weighted average share price volatility of 74% and an expected weighted average dividend yield of 0%.

(9) Mr. Bradley's award of options to acquire 100,000 Common Shares of the Corporation at a price of $0.25 with expiry December 31, 2016 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.20% per annum, a weighted average expected life of 3.6 years, expected weighted average share price volatility of 100% and an expected weighted average dividend yield of 0%.

(10) Mr. Bradley's award of options to acquire 100,000 Common Shares of the Corporation at a price of $0.25 with expiry December 31, 2015 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.41% per annum, a weighted average expected life of 3.6 years, expected weighted average share price volatility of 102% and an expected weighted average dividend yield of 0%.

(11) Mr. Brunner's award of options to acquire 100,000 Common Shares of the Corporation at a price of $0.40 with expiry December 31, 2017 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted

average risk free rate of 1.48% per annum, a weighted average expected life of 3.52 years, expected weighted average share price volatility of 74% and an expected weighted average dividend yield of 0%.

(12) Mr. Brunner's award of options to acquire 100,000 Common Shares of the Corporation at a price of $0.25 with expiry December 31, 2016 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.20% per annum, a weighted average expected life of 3.6 years, expected weighted average share price volatility of 100% and an expected weighted average dividend yield of 0%.

(13) Mr. Brunner's award of options to acquire 100,000 Common Shares of the Corporation at a price of $0.25 with expiry December 31, 2015 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.41% per annum, a weighted average expected life of 3.6 years, expected weighted average share price volatility of 102% and an expected weighted average dividend yield of 0%.

(14) Mr. Graham's award of options to acquire 100,000 Common Shares of the Corporation at a price of $0.40 with expiry December 31, 2017 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.48% per annum, a weighted average expected life of 3.52 years, expected weighted average share price volatility of 74% and an expected weighted average dividend yield of 0%.

(15) Mr. Graham's award of options to acquire 200,000 Common Shares of the Corporation at a price of $0.25 with expiry December 31, 2016 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.20% per annum, a weighted average expected life of 3.6 years, expected weighted average share price volatility of 100% and an expected weighted average dividend yield of 0%.

(16) Mrs. Heale's award of options to acquire 150,000 Common Shares of the Corporation at a price of $0.53 with expiry December 31, 2017 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free rate of 1.58% per annum, a weighted average expected life of 3.3 years, expected weighted average share price volatility of 76% and an expected weighted average dividend yield of 0%.

(17) Mr. French resigned as VP Finance and CFO and was appointed as Director Transition Support on September 15, 2014. His employment agreement as Director Transition Support ended on December 31, 2014. Mr. French received a $275,000 severance payment in accordance with the terms of his employment contract.

(18) Mr. Tempany resigned as President and Mr. Bradley was promoted to President of the Corporation on February 1, 2014.

(19) Mr. Brunner was re-assigned from Vice President Operations to Vice President Certification Engineering and China Operation of the Corporation on January 31, 2014.

(20) Mr. Graham was re-assigned from Chief Operating Officer to Chief Technical Officer of the Corporation on January 22, 2014.

(21) Mrs. Heale was appointed VP Finance and CFO of the Corporation on September 15, 2014.

Incentive Plan Awards

Outstanding Share-Based and Option-Based Awards

The Corporation's Stock Option Plan was previously approved by the shareholders of the Corporation on June 24, 2014. The Stock Option Plan has been established to provide incentives to qualified parties to increase their propriety interest in the Corporation and thereby encourage their continuing association with the Corporation. The Stock Option Plan is administered by the board of directors of the Corporation and provides that options may be granted to directors, officers, key employees or consultants of the Corporation or any subsidiary of the Corporation. The material terms of the Stock Option Plan are described below.

All options granted under the Stock Option Plan have an exercise price that is not less than the market price on the date of grant, are non-transferable and are exercisable for a period not to exceed five years. The aggregate number of Common Shares subject to options granted under the Stock Option Plan, from time to time, cannot exceed 10% of the aggregate number of Common Shares outstanding at any given time and no one optionee is permitted to hold a number of stock options that would entitle such optionee to purchase more than 5% of the aggregate number of Common Shares outstanding at the time of grant. Vesting restrictions on all options are determined at the discretion of the directors. Options granted under the Stock Option Plan will cease to vest upon the option holder ceasing to be employed by or to provide consulting services to the Corporation, and any vested options terminate upon the date that is 90 days from the termination of an optionee's employment with, or consulting to, the Corporation, or from the date such optionee ceased to be a director of the Corporation, unless exercised prior to such date. If the optionee has died, options granted to such optionee under the Stock Option Plan cease to vest as of the date of death and (to the extent vested as of the date of death) must be exercised by the deceased's personal legal representative(s) within one year of the date of death.

No share-based (as opposed to option-based) awards have been granted to the Corporation's Named Executive Officers. Details of options outstanding as at the financial year ended December 31, 2014 awarded to Named Executive Officers are set forth in the following table:

Name and Principal Position	Number of securities underlying unexercised options (#)	Option Exercise Price ($)	Option Expiration Date	Value of unexercised in-the-money options[(1)] ($)
William Tempany	225,000	$0.40	December 31, 2017	Nil
President and Chief Executive Officer[(2)]	225,000	$0.25	December 31, 2016	$27,000
	225,000	$0.25	December 31, 2015	$27,000
Thomas R. French	150,000	$0.40	December 31, 2017	Nil
VP Finance and Chief Financial Officer[(3)]	150,000	$0.25	December 31, 2016	$18,000
	150,000	$0.25	December 31, 2015	$18,000
Matthew Bradley	150,000	$0.40	December 31, 2017	Nil
President[(2)]	100,000	$0.25	December 31, 2016	$12,000
	100,000	$0.25	December 31, 2015	$12,000
Jeffrey Brunner	100,000	$0.40	December 31, 2017	Nil
VP Certification Engineering and China Operations[(3)]	100,000	$0.25	December 31, 2016	$12,000
	100,000	$0.25	December 31, 2015	$12,000
Derek Graham	100,000	$0.40	December 31, 2017	Nil
Chief Technical Officer[(4)]	206,000	$0.25	December 31, 2016	$24,720
Nola Heale	150,000	$0.53	December 31, 2017	Nil
VP Finance and Chief Financial Officer[(5)]				

Notes:

(1) Value is calculated upon difference between the exercise price of the options and the closing price of the Common Shares on the TSX Venture Exchange on December 31, 2014, which closing price was $0.37. All options expiring on December 31, 2017 were out-of-the-money.
(2) Mr. Tempany resigned as President and Mr. Bradley was promoted to President of the Corporation on February 1, 2014.
(3) Mr. French resigned as VP Finance and CFO and was appointed as Director Transition Support on September 15, 2014. His employment agreement as Director Transition Support ended on December 31, 2014.
(4) Mr. Brunner was re-assigned from Vice President Operations to Vice President Certification Engineering and China Operation of the Corporation on January 31, 2014.
(5) Mr. Graham was re-assigned from Chief Operating Officer to Chief Technical Officer of the Corporation on January 22, 2014.
(6) Mrs. Heale was appointed VP Finance and CFO of the Corporation on September 15, 2014.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of options held by Named Executive Officers that vested during the year ended December 31, 2014.

Name	Option-Based Awards – Value Vested During the Year[(1)]
William Tempany[(2)]	Nil
Thomas R. French[(3)]	Nil
Matthew Bradley[(4)]	Nil
Jeffrey Brunner[(5)]	Nil
Derek Graham[(6)]	Nil
Nola Heale[(7)]	Nil

Notes:

(1) Value is calculated upon difference between the exercise price of the options and the closing price of the Common Shares on the TSX Venture Exchange on December 31, 2014, which closing price was $0.37. All options were out-of-the-money.
(2) An aggregate of 225,000 options held by Mr. Tempany vested during the year ended December 31, 2014.
(3) An aggregate of 150,000 options held by Mr. French vested during the year ended December 31, 2014.
(4) An aggregate of 150,000 options held by Mr. Bradley vested during the year ended December 31, 2014.
(5) An aggregate of 100,000 options held by Mr. Brunner vested during the year ended December 31, 2014.
(6) An aggregate of 100,000 options held by Mr. Graham vested during the year ended December 31, 2014.
(7) An aggregate of 150,000 options held by Mrs. Heale vested during the year ended December 31, 2014.

Pension Plan Benefits

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

Termination and Change of Control Benefits

Under the management agreement entered into between the Corporation and Mr. Tempany (for a description, see "*Statement of Executive Compensation – Compensation Discussion and Analysis*"), in the event that Mr. Tempany's employment is terminated by Mr. Tempany within six months of a change or control or constructive dismissal, then Mr. Tempany shall be entitled to a severance payment in an amount equal to Mr. Tempany's then current monthly salary (such amount was equal to $16,000/month on December 31, 2014) for six months, plus one additional month for each year that the management agreement was in effect (which would be equal to an additional ten months as of December 31, 2014). All payments are due on the termination date. In the event of such termination, any unvested stock options held by Mr. Tempany would expire and terminate and any vested options would have to be exercised within a specified period of time. Pursuant to his employment agreement, Mr. Tempany has agreed to not compete with the Corporation for a period of twelve months from the date of the termination of employment, subject to the term that if the Corporation wishes to impose any non-compete restrictions on Mr. Tempany for a period up to 12 months, then the Corporation agrees to pay Mr. Tempany an amount equal to Mr. Tempany's then current monthly salary for each month that the restrictive covenant is to be in effect.

Under the management agreement entered into between the Corporation and Mr. Bradley (for a description, see "*Statement of Executive Compensation – Compensation Discussion and Analysis*"), in the event that Mr. Bradley's employment is terminated by Mr. Bradley or the Corporation other than for just cause, by resignation for good reason or resignation without good reason with two months written notice then Mr. Bradley shall be entitled to a severance payment in an amount equal to Mr. Bradley's then current monthly salary (such amount was equal to $16,000/month on December 31, 2014) for six months, plus one additional month for each year or partial year that Mr. Bradley has been employed by the Corporation and shall be a minimum of eleven months and a maximum of eighteen months. All payments are due on the termination date. In the event of such termination, any unvested stock options held by Mr. Bradley would expire and terminate and any vested options would have to be exercised within a specified period of time. Pursuant to his employment agreement, Mr. Bradley has agreed to not compete with the Corporation for the period equal to the severance period from the date of the termination of employment. Mr. Bradley is entitled to a lump sum payment equivalent to twelve months salary plus one month per year of employment with the Corporation which shall be a minimum of seventeen months and a maximum of twenty-four months upon a transition in the Corporation. Transition is defined as a change in control, change in management, or a transaction or combination of transactions in a twelve month period exceeding 20% market capital of the Corporation such as merger, acquisition, or amalgamation with another company. Upon this payment being made the Corporation may consider Mr. Bradley's employment to be ended with no obligation to pay any severance but may require Mr. Bradley to continue employment for up to four months at Mr. Bradley's regular salary.

Under the employment agreement entered into between the Corporation and Mrs. Heale (for a description, see "*Statement of Executive Compensation – Compensation Discussion and Analysis*"), in the event that Mrs. Heale's employment is terminated by the Corporation other than for just cause then Mrs. Heale shall be entitled to a severance payment in an amount equal to Mrs. Heale's then current monthly salary (such amount was equal to $15,000/month on December 31, 2014) for six months, plus one additional month for each year that Mrs. Heale has been employed by the Corporation. In the event of such termination, any unvested stock options held by Mrs. Heale would expire and terminate and any vested options would have to be exercised within a specified period of time. Pursuant to her employment agreement, Mrs. Heale is entitled to a lump sum payment equivalent to six months salary plus one month per year of employment with the Corporation upon a change of control of the Corporation after one year of service. Change of control is defined as a change in control, or a situation where giving effect to the transaction any entity holds 20% of more of the voting shares or any combination of person acting in concert would be in a position to materially affect more than 20% control of the Corporation or resulting corporation, where such person or persons did not previously hold a sufficient number of voting shares to exercise control.

Compensation Risk Assessment and Mitigation

The Governance and Compensation Committee considers the implications of the risks associated with the Company's compensation policies and practices when determining rewards for its executives and ensures that those policies do not encourage management to take inappropriate or excessive risks. The Governance and Compensation Committee does not believe that there are any risks arising from the compensation programs that would be reasonably likely to have a material adverse effect on the Company.

The Company's compensation program includes several mechanisms to ensure risk-taking behaviour falls within reasonable risk tolerance levels, including:

- a balanced compensation mix between fixed and variable (at zero risk) and between short and long-term incentives that defer award value
- having a cap on short-term incentive awards
- commission plan payments are based on cash received
- establishment of performance criteria and corresponding objectives which represent a balance of performance and quality and sustainability of such performance
- establishment of a compensation package within range of competitive practices (peer group)
- explicit restrictions on hedging of equity awards by executives
- utilizing longer-term incentive plans for diversification and alignment with risk realization periods (option based awards)

Under the Corporation's policies, neither officers nor directors are permitted to take any derivative or speculative positions in the Corporation's securities. This is to prevent the purchase of financial instruments that are designed to hedge or offset any decrease in the market value of the Corporation's securities.

Director Compensation

For the year ending December 31, 2014, the Corporation compensated its directors in their capacity as a director of the Corporation at $1,500 per month if the director is independent, $500 per month if the director also has a consulting contract with the Corporation and Nil if the director is in a management role or an officer of the Corporation. If the Chairman of the board of directors is an independent director, his compensation is to be increased by an additional $500 per month.

Each director is eligible to receive stock options of the Corporation. All directors are granted 75,000 options annually and each member of a committee of the board of directors is granted an additional 30,000 options annually. If the Chairman of the Board is an independent director of the Corporation he is to receive an additional grant of 90,000 options. The Corporation has compensated the directors with stock options.

The Corporation has purchased, at its expense, a directors' and officers' liability insurance policy, which expires March 31, 2016. This covers the directors and officers of the Corporation against liability incurred by them in their capacities as directors and officers of the Corporation. The coverage has an aggregate limit of $10 million and a $5 million side A difference in conditions. There is a deductible of $20,000. Premiums paid by the Corporation for the directors and officers liability insurance are $31,642.

The following table summarizes all compensation provided to directors (in their capacities as directors) during the year ended December 31, 2014.

Name	Fees Earned ($)	Share Based Awards	Option-Based Awards[(1)] ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
William Tempany[(2)]	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard Hayden[(3)]	$12,556	Nil	$14,618	Nil	Nil	Nil	$27,174
Douglas Marlin[(4)]	$24,000	Nil	$73,088	Nil	Nil	Nil	$67,853
Michael Brown[(4)]	$18,000	Nil	$49,700	Nil	Nil	Nil	$67,700
Paul Takalo	$18,000	Nil	$20,465	Nil	Nil	Nil	$38,465
Jack Olcott	$20,054	Nil	$20,465	Nil	Nil	Nil	$40,519
Jacques Kavafian	$18,000	Nil	$20,465	Nil	Nil	Nil	$38,465
Barry Eccleston	$7,659	Nil	Nil	Nil	Nil	Nil	$7,659
John Belcher	$7,659	Nil	Nil	Nil	Nil	Nil	$7,659

Notes:

(1) Values of option-based awards have been determined using the Black-Scholes option-pricing model. The fair value of the options was determined using a weighted average risk free rate of 1.48% per annum, a weighted average expected life of 3.52 years, expected weighted average share price volatility of 74% and an expected weighted average dividend yield of 0%.

(2) For a description of all compensation paid to Mr. Tempany in 2014 in his capacity as officer of the Corporation, please refer to the sections herein entitled "*Compensation, Discussion and Analysis*", "*Summary Compensation Table*" and "*Incentive Plan Awards*".

(3) Mr. Hayden was paid compensation under an employment agreement dated January 1, 2012. This compensation totaled commissions of $763 in 2014. Mr. Hayden resigned as a director of the Corporation on August 8, 2014.

(4) Mr. Marlin and Mr. Brown each received an additional 150,000 options for their length of service to the Corporation, as determined by the board of directors of the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Corporation's most recently completed financial year with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	7,802,250 [(1)]	$0.34	9,415,764 [(1)]
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	7,802,250	$0.34	9,415,764

Note:

(1) The Corporation's shareholders approved a rolling Stock Option Plan reserving a maximum of 10% of the issued and outstanding Common Shares of the Corporation and must receive yearly shareholder approval of the Stock Option Plan. On December 31, 2014, the Corporation had 172,180,135 issued and outstanding Common Shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and executive officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, executive officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Management Proxy Circular, none of the informed persons of the Corporation (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

MANAGEMENT CONTRACTS

Except as disclosed in this Management Proxy Circular, the Corporation does not have in place any management contracts between the Corporation and any directors or executive officers and there are no management functions of the Corporation that are to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

During the fiscal year ended December 31, 2014, the Corporation paid certain fees to a company owned by Mr. Richard Hayden under an agreement dated May 24, 2014 for completion of defined projects. For the fiscal year ended December 31, 2014, this consisted of commissions of $763. The agreement requires that commission be paid on certain named accounts for payments received until December 31, 2015.

Audit Committee

Please see the attached Appendix "B" for information on the Audit Committee (Form 52-110F2). The Corporation is relying on the exemption provided in Section 6.1 of MI 52-110.

Corporate Governance Disclosure

Please see the attached Appendix "C" for information on the Corporation's Corporate Governance (Form 58-101F2).

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements

The financial statements of the Corporation for the year ended December 31, 2014 and the Auditors' Report thereon accompanying this Management Proxy Circular will be placed before the Shareholders at the Meeting for their consideration. No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the board of directors of the Corporation in accordance with applicable corporate and securities legislation. Any questions regarding the financial statements may be brought forward at the Meeting.

Shareholders who wish to receive interim financial statements are encouraged to send the enclosed notice, in the addressed envelope to Valiant Trust Company.

Election of Directors

The term of office of each of the present directors expires at the Meeting. The number of directors to be elected at the Meeting is proposed to be fixed at nine (9). Management of the Corporation proposes to nominate each of the persons named below for election as directors of the Corporation at the Meeting to serve until the next annual meeting of the Shareholders of the Corporation, unless his office is earlier vacated. All of the nominees except for Mr. Mark Rosenker, are currently members of the board of directors of the Corporation.

The board of directors currently consists of eight (8) directors.

Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the election, as directors, of the nominees whose names are set forth below. In the event that prior to the Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of

any other person or persons as directors. Management is not currently aware that any such nominees would not be willing to serve as director if elected.

The following information concerning the proposed nominees has been furnished by each of them:

Name, Residence and Office(s) held	Principal Occupation or Employment for the Last Five Years	Became a Director / Officer	Voting Securities Beneficially Owned[4]	Percentage of Issued and Outstanding Voting Securities
William T. Tempany [2][5] Calgary, Alberta, Canada Chief Executive Officer and Director	Since December 2011, Mr. Tempany has held the roles of CEO and Director of the Corporation. From December 2011 to January 2014, Mr. Tempany was also the President of the Corporation. From October 2000 to December 2011, Mr. Tempany held the roles of CEO, Director and Chairman of the Corporation, formerly known as Dream Wizards Investments Ltd. Mr. Tempany was previously a consultant to Ernst & Young, a management consulting company, on contract to PETROBRAS, Brazil (NYSE & Bovespa listed) from November 2000 to December 2001.	February 28, 2003	3,675,510[3]	2.96%
Douglas G. Marlin[1][2] Calgary, Alberta, Canada Director	Since December 2011, Mr. Marlin held the position of Chairman and Director of the Corporation. Since January 1997, he has been the President of Marlin Ventures Inc., a management consulting company. From 1981 to 1987, he was the Vice President of JDA Software Ltd. ("JDA"), a software company, and from 1987 to December 1996, he was the President of JDA. He has been a Director of Zed.i Solutions Inc., a data collection company, (TSX.V listed) and of its predecessor, Fire Systems Capital Corp. since September 2000; He was a Director of JDA Software Group, Inc. (NASDAQ listed) from June 2001 to August 2012.	February 28, 2003	2,197,034	1.28%
Michael Brown[1] Nanaimo, British Columbia, Canada Director	Mr. Brown is a business lawyer with Geselbracht Brown since January 1997 and was previously practicing with Plazzer & Geselbracht from January 1995 to January 1997	February 28, 2003	450,209	0.19%

Name, Residence and Office(s) held	Principal Occupation or Employment for the Last Five Years	Became a Director / Officer	Voting Securities Beneficially Owned[4]	Percentage of Issued and Outstanding Voting Securities
Jack Olcott[1] New Vernon, New Jersey, USA Director	Mr. Olcott has been the President of General Aviation Company, a business aviation consulting company, since January 2002 In the early 1970's Mr. Olcott, while remaining active as an advisor to NASA and as a flight instructor, began a career in aviation journalism where he achieved the position of editor and publisher of Business & Commercial Aviation magazine and a Vice President within McGraw-Hill's Aviation Week Group. a publishing company. In 1992, Mr. Olcott joined the National Business Aviation Association as President until 2003.	May 22, 2008	373,858	0.22%
Paul Takalo[2] Calgary, Alberta, Canada Director	Mr. Takalo is a Chartered Accountant who was employed with Grant Thornton, a public accounting firm, from 1985 to 2005 with the last 5 years as Audit Partner. From July 2005 to November 2005, Mr. Takalo provided consulting services. Between November 2005 and January 2015 he held the position of Vice-President, Finance and later CFO of Standen's Limited and a successor partnership.	May 22, 2008	340,000	0.20%
Jacques Kavafian[1] Richmond Hill, Ontario, Canada Director	Mr. Kavafian is an independent businessman, based in Richmond Hill, Ontario. From September 2011 until August 2013, Mr. Kavafian was Vice President at Toll Cross Securities Inc. a full service institutional investment brokerage firm. From May 2010 to September 2011, Mr. Kavafian was the President and CEO of 7546220 Canada Inc., a planning stage transpacific travel company. From August 2004 to October 2009, Mr. Kavafian was a Vice-President and analyst with Research Capital, an investment banking and management company. His specialization was the financing of airline, aerospace, and leisure industries.	December 1, 2010	Nil	0.00%

Name, Residence and Office(s) held	Principal Occupation or Employment for the Last Five Years	Became a Director / Officer	Voting Securities Beneficially Owned[4]	Percentage of Issued and Outstanding Voting Securities
Barry Eccleston [1] Reston, Virginia, USA Director	Mr. Barry Eccleston is the President of Airbus Americas, Inc. He joined Airbus from Honeywell where he served as Vice President in different departments and global regions. Prior to that, he held increasingly senior positions with Rolls-Royce for 29-years, culminating as President and CEO Rolls-Royce Canada and President and CEO of International Aero Engines, in which Rolls-Royce was a major shareholder. He is Past President of The Wings Club, Chairman-Elect of the British American Business Association in Washington DC, a member of the Board of Governors of CCAM in Virginia, and a past member of the boards of the Flight Safety Foundation, the Aero Club of Washington DC, the National Aeronautic Association and the NBAA's Associate Member Advisor Council.	August 2014	Nil	0.00%
John Belcher[2] Edgewater, Maryland, USA Director	Mr. Belcher was formerly Chairman and Chief Executive Officer of ARINC Incorporated. His prior experience includes positions as President and CEO, Hughes Aircraft of Canada, Ltd.; Vice President Hughes Aircraft Company; President and CEO, Thompson-Hickling Aviation; Senior Vice President, SPAR/PRIOR Data Sciences; Executive Director, Transport Canada; and Director General, Supply and Services Canada. John presently serves on seven other boards including LandMark Aviation, Signalhorn, NanoVapor, Anne Arundel Health System, World Trade Center Institute, Governor's Work Force Investment Board, and Cyber Reliant.	August 2014	Nil	0.00%

Name, Residence and Office(s) held	Principal Occupation or Employment for the Last Five Years	Became a Director / Officer	Voting Securities Beneficially Owned[4]	Percentage of Issued and Outstanding Voting Securities
Mark Rosenker McLean, Virginia, USA	Mr. Rosenker was the 11th Chairman of the National Transportation Safety Board (NTSB) in the USA. Mr. Rosenker served as head of the agency, either as Chairman or Acting Chairman, from March 2005 until July of 2009. Beginning January 20, 2001 until his nomination to the NTSB, Mr. Rosenker served as Deputy Assistant to the President and Director of the White House Military Office. Prior to his White House appointment, Mr. Rosenker was Managing Director of the Washington, DC office for the United Network for Organ Sharing (UNOS), and prior to that, Mr. Rosenker served 23 years as Vice President, Public Affairs for the Electronic Industries Alliance. Mr. Rosenker serves as Member of the Board of Directors of the Sequa Corporation, a diversified industrial company with operations in the aerospace and metal coatings industries. He also is a Board Member of the Lattice Corp., a publicly traded telecom and IT company, and a Member of the Board of Governors of the Aerospace Industries Association. Mr. Rosenker is currently a consultant to CBS News and appears on both the TV and Radio networks to discuss transportation safety issues. Prior to joining CBS in December of 2010, he was with NBC News in the same capacity. He is also President of the Transportation Safety Group LLC, a specialized consulting company.	Proposed	Nil	0.00%

Notes:

(1) Member of the Governance and Compensation Committee.
(2) Member of the Audit Committee.
(3) Includes shares held by Laura Tempany, spouse of Mr. William Tempany.
(4) The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been provided by the respective directors and is as of the Record Date.
(5) Mr. Tempany resigned as President and Mr. Bradley was promoted to President of the Corporation on February 1, 2014.

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Corporation is, or has been within the past ten years, a director or officer of any other company that, while such person was acting in that capacity:

(i) was the subject of a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days;

(ii) was subject to an event that resulted, after that individual ceased to be a director or officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days; or

(iii) within a year of that individual 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.

Individual Bankruptcies

No director or proposed director of the Corporation is or has, within the ten years prior to the date hereof, 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 that individual.

Appointment of Auditors

Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the re-appointment of KPMG LLP, Chartered Accountants as auditors of the Corporation, to hold office until the close of the next annual meeting, at a remuneration to be determined by the board of directors of the Corporation. KPMG LLP were first appointed as auditors of the Corporation in 2007. Approval of the appointment of the auditors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. **Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote FOR the resolution.**

Consolidation of Common Shares

The Board wishes to be in a position during the ensuing year, if it considers it to be in the best interest of the Corporation, to effect a consolidation of the Corporation's issued share capital on the basis of up to ten (10) pre-consolidated Common Shares for one (1) post-consolidated Common Share without par value (the "**Consolidation**"). The Shareholders will be asked to approve the Consolidation at the Meeting. The Consolidation requires approval by special resolution, being a majority of not less than 66 2/3% of the votes cast by the Shareholders present in person or represented by proxy at the Meeting.

Purpose and Benefit of the Consolidation

As of the Record Date, there were 172,435,135 Common Shares issued and outstanding. The Board believes that it may be in the best interests to consolidate the Common Shares on a basis of one (1) new share for up to ten (10) shares or such other lower number as may be determined. The Board believes that the Consolidation could lead to increased interest by a wider audience of potential investors resulting in a more efficient market for the Common Shares. There can be no assurances however that the market price of the Common Shares will increase as a result of the Consolidation or that any such increase will fully reflect the basis for the Consolidation.

The Consolidation will not materially affect any Shareholder's percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of shares. No fractional Common Shares will be issued as a result of the Consolidation. If, as a result of the Consolidation, the holder of Common Shares would otherwise be entitled to a fraction of a Common Share, the number of post-Consolidation Common Shares issuable to the Shareholder shall be rounded up in the event the Shareholder was entitled to a fractional share equivalent to one-half or more of a post-Consolidation share and shall be rounded down in the event the Shareholder was entitled to a fractional share equivalent to less than one-half of a post-Consolidation share.

The text of the special resolution regarding this matter is as follows:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. subject to the acceptance by the TSX Venture Exchange Inc., the Toronto Stock Exchange, the OTCQX or any other applicable exchange, the directors of the Corporation be authorized to, any time prior to the next annual meeting of the shareholders of the Corporation, in their absolute discretion, without further shareholder approval, approve and effect a consolidation of all issued and outstanding Common Shares of the Corporation on the basis of one new share for any number up to ten issued and outstanding Common Shares ("**Consolidation**"), such final number to be determined by the Board of Directors at their sole discretion; provided that if as a result of the Consolidation, a holder of Common Shares would otherwise be entitled to a fraction of a Common Share, the number of post-Consolidated Common Shares issuable to such Shareholder shall be rounded up in the event that said Shareholder was entitled to a fractional share

equivalent to one-half or more of a post-Consolidated share and shall be rounded down in the event that said Shareholder was entitled to a fractional share equivalent to less than one-half of a post-Consolidation share;

2. following receipt of all necessary approvals, any director or officer of the Corporation is hereby authorized and empowered for and in the name of and on behalf of the Corporation to execute, whether under the corporate seal of the Corporation or otherwise, and to deliver to the Registrar under the *Canada Business Corporations Act* Articles of Amendment and any other required documents to give effect to this special resolution;

3. the Corporation is authorized to take all reasonable and necessary steps to satisfy such conditions as the TSX Venture Exchange, the Toronto Stock Exchange, the OTCQX or any other applicable exchange may impose.

4. notwithstanding that this special resolution has been duly passed by the Shareholders of the Corporation, the directors of the Corporation are hereby expressly authorized and empowered to revoke this special resolution without further approval of the Shareholders of the Corporation at any time prior to the issuance of a Certificate of Amendment giving effect to the amendment to the Articles of the Corporation contemplated hereby; and

5. any director or officer of the Corporation is hereby authorized and empowered for and in the name of and on behalf of the Corporation to execute or to cause to be executed, whether under the corporate seal of the Corporation or otherwise, and to deliver or to cause to be delivered all such other documents and instruments, and to do or to cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the intent of this special resolution."

Approval of this resolution will require the affirmative votes of the holders of not less than 66⅔% of the votes cast in respect thereof by the Shareholders present in person or by proxy at the Meeting. Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote FOR the resolution to approve the share consolidation.

Approval of Stock Option Plan

Pursuant to Policy 4.4 of the TSX Venture Exchange (the "Policy"), Corporations that have a rolling stock option plan reserving a maximum of 10% of the issued and outstanding shares of the Corporation must receive yearly shareholder approval of the stock option plan. The directors of the Corporation have approved the 2015 Stock Option Plan in the form attached hereto as Appendix "A". The TSX Venture Exchange requires the Stock Option Plan to be approved by the shareholders of the Corporation.

Management of the Corporation will place before the Meeting the following resolution relating to the approval of the 2015 Stock Option Plan:

"BE IT RESOLVED THAT:

1. the 2015 Stock Option Plan of the Corporation be and is hereby ratified and approved in substantially the form attached as Appendix "A" to the Management Proxy Circular prepared for the purposes of this Meeting;

2. any director or officer be and is hereby authorized to amend the 2015 Stock Option Plan should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange;

3. any director or officer be and is hereby authorized to execute and deliver all such deeds, documents and other writings and perform such acts as may be necessary in order to effect the 2015 Stock Option Plan and the board of directors of the Corporation from time to time, be authorized to grant options in the capital stock of the Corporation pursuant to and in accordance with the provisions with the 2015 Stock Option Plan; and

4. notwithstanding the approval of the shareholders of the Corporation as herein provided, the board of directors of the Corporation may, in its sole discretion, revoke this resolution before it is acted upon, without further approval of the shareholders of the Corporation."

The approval by Shareholders requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. The TSX Venture Exchange requires such approval before it will allow the adoption of the 2015 Stock Option Plan. Options to purchase Common Shares that were previously granted to directors, officers and employees of the Corporation will be deemed to be granted under the Plan. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution to ratify, adopt and re-approve the 2015 Stock Option Plan**.

OTHER MATTERS

As of the date of this Management Proxy Circular, the board of directors and management know of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, proxies in favour of management nominees will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com. Financial information on the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation which can also be accessed at www.sedar.com. or which may be obtained upon request from the Corporation at our head office at 300E, 1144 – 29th Avenue NE, Calgary, Alberta, T2E 7P1, or via fax at (403) 291-9717.

The delivery of this Management Proxy Circular has been approved by the directors of the Corporation.

APPENDIX "A"
to the Management Proxy Circular of FLYHT Aerospace Solutions Ltd.

2015 STOCK OPTION PLAN

1. PURPOSE AND SCOPE OF PLAN

The purpose of this Plan is to assist the Corporation to attract, retain and motivate Directors, Employees and Consultants of the Corporation and to closely align their interests with the interests of the shareholders of the Corporation by providing the Directors, Employees and Consultants with an opportunity, through Options, to acquire Common Shares. Options will be granted as a means of rewarding Directors, Employees and Consultants for future services provided to the Corporation and will not be granted as a substitution for salaries or wages or as a means of compensation for past services.

2. INTERPRETATION

In this Plan:

(a) "**Amalgamation**" means the amalgamation of Dream Wizards Investments Ltd., FLYHT Aerospace Solutions Ltd., 4142187 Canada Inc. and 4142179 Canada Inc. and the continuance of the Corporation as the amalgamated corporation under the Canada Business Corporations Act.

(b) "**Common Shares**" means shares of the common share class in the share capital of the Corporation.

(c) "**Consultant**" means, in relation to the Corporation, an individual or Consultant Company other than an Employee or a Director of the Corporation, that:

(i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Corporation or an Affiliate of the Corporation and the individual or the Consultant Company;

(iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and

(iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

(d) "**Consultant Company**" means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner.

(e) "**Corporation**" means FLYHT Aerospace Solutions Ltd. and includes any successor corporation thereto.

(f) "**Directors**" means directors, senior officers and Management Company Employees of the Corporation, or directors, senior officers and Management Company Employees of the Corporation's subsidiaries to whom stock options can be granted in reliance on a Prospectus exemption under applicable Securities Laws.

(g) "**Employee**" means:

(i) an individual who is considered an employee of the Corporation or its subsidiary under the Income Tax Act (Canada) for whom income tax, employment insurance and CPP deductions must be made at source;

(ii) an individual who works full time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours to be disclosed in the submission to the Exchange) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.

(h) "**Exchange**" means the Canadian Venture Exchange Inc. operating as the TSX Venture Exchange.

(i) "**Management Company Employee**" means an individual employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person involved in Investor Relations Activities.

(j) "**Option**" means an incentive stock option to purchase Common Shares granted under the Plan.

(k) "**Optionee**" means the recipient of an Option.

(l) "**Optioned Shares**" means the Common Shares under Options granted pursuant to the Plan; and "**Optioned Share**" means each such Common Share.

(m) "**Plan**" means the program and procedures as structured and subject to the terms herein for the granting of Options to Directors, Employees and Consultants.

(n) "**Affiliate**", "**Company**", "**disinterested Shareholders**", "**Distribution**", "**Discounted Market Price**", "**Investor Relations Activities**", "**Market Price**", "**Prospectus**", "**Securities Laws**", and "**Person**" have the meanings attributed to each of these terms by the Policies of the Exchange.

3. TYPE OF PLAN AND SECURITIES REGULATORY REQUIREMENTS

The Plan is structured as a "rolling" incentive stock option plan reserving a maximum of 10% of the issued Common Shares at the time of the Option grant with no vesting provisions.

The Plan is subject to the requirements of Exchange Policy 4.4 and applicable Securities Laws. A statutory exemption must be made available for issuances of securities for all issuances of Options to Consultants, failing which, a discretionary exemption from the appropriate Securities Commission must be obtained.

4. ADMINISTRATION OF THE PLAN

4.1 General Powers and Authorities

The Plan shall be administered by the board of directors of the Corporation (the "Board") which shall have full and final authority and discretion, subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable for the administration of the Plan and the grant of Options. The Board may delegate to a Compensation Committee of the Board any or all of its authority and discretion in respect of the administration of the Plan. When used herein, "Board" shall be deemed to include the Compensation Committee acting on behalf of the Board.

4.2 Specific Powers and Authorities

Without limiting the generality of the foregoing, the Board shall have the power and authority where consistent with the purpose and intent of the Plan and subject to the terms thereof:

(a) to establish policies and adopt rules and regulations for the purpose of giving effect to and administering the Plan;

(b) to interpret and construe the Plan and determine all questions arising out of the Plan and any Option arising out of the Plan, and all such determinations, constructions and terminations by the Board shall be final, binding and conclusive for all purposes;

(c) to determine to which Directors, Employees and Consultants Options will be granted and to grant such Options;

(d) to determine the number of Common Shares to be granted by each Option;

(e) to determine the price ("Exercise Price") at which each Common Share may be purchased pursuant to an Option and adjusted pursuant to the terms of the Plan;

(f) to determine the time or times when Options will be granted and will be exercisable;

(g) to determine if the Common Shares under an Option will be subject to any hold periods, legends or restrictions when issued on exercise of an Option;

(h) to prescribe the form and terms of the instruments pertaining to the grant, exercise and other terms of the Options.

5. PLAN REQUIREMENTS

5.1 General Plan Requirements

Options will be distributed on an equitable basis, having regard to:

(a) the number of Optionees;

(b) the frequency of Optionee turnover;

(c) the size of allocation to new Optionees; and

(d) the duties and qualifications of the Optionee in relation to the Optionee's position with the Corporation.

The Plan will not be used primarily as a means of financing by the Corporation, without disclosure requirements and hold periods that would generally apply to a financing.

5.2 Grants To Individuals

The aggregate number of Common Shares that may be reserved for issuance pursuant to the Plan for Options granted to an individual Optionee will not exceed 5% of the issued Common Shares, determined at the date the Option is granted to an individual in a 12 month period, unless the Corporation becomes a Tier 1 Issuer and has obtained the requisite disinterested shareholder approval required by Exchange Policy 4.4.

5.3 Grants To Consultants

The aggregate number of Common Shares that may be reserved for issuance pursuant to the Plan for Options granted to any one Consultant Optionee in any 12 month period will not exceed 2% of the issued Common Shares, calculated at the date the Option is granted to the Consultant Optionee.

5.4 Grants to Optionees Performing Investor Relations Activities

The aggregate number of Common Shares under Option granted in any 12 month period to Persons employed to provide Investor Relations Activities will not exceed 2% of the issued Common Shares, calculated as of the date the Option was granted. This 2% Option will be included in the calculation of the 10% maximum reservation of Common Shares pursuant to the Plan.

When the Corporation is a Tier 1 Issuer, Options granted to Consultants performing Investor Relations Activities must vest in stages over 12 months with no more than ¼ of the Options vesting in any three month period.

The Board will establish appropriate procedures to monitor the trading in the securities of the Corporation by all Optionees performing Investor Relations Activities, including the establishment of a designated brokerage account through which the Optionee conducts all trades of the securities of the Corporation and/or a requirement that all such Optionees file copies of their insider trading reports with the Board.

Before granting an Option to a Consultant for performing Investor Relations Activities, the Corporation must determine that a statutory exemption is available for the issuance of securities to the Consultant performing such Investor Relations Activities for the Corporation or alternatively the Corporation must obtain a discretionary exemption from the appropriate Securities Commission.

5.5 Optionees

In order to be eligible for a grant of an Option, an Optionee must either be a Director, Employee or Consultant of the Corporation or one of its subsidiaries at the date the Option is granted and the Option must be granted subject to applicable Securities Laws.

Except in relation to Consultant Companies, Options may be granted only to an individual or to a Company that is wholly owned by individuals eligible for an Option grant. If the Optionee is a Company, including a Consultant Company, the Optionee must provide the Exchange with a completed Form 4F – *Certification and Undertaking Required from a Company Granted an Incentive Stock Option*. A Company to be granted the Option must agree not to effect or permit any transfer of ownership or option of shares of the Company or issuance of additional shares of any class of shares of the Company to any individual or entity as long as the Option remains outstanding, except with the written consent of the Exchange.

The Corporation must ensure that the applicable Securities Laws are satisfied for each Option granted under the Plan.

5.6 Minimum Exercise Price

The minimum exercise price of an Option must not be less than the Discounted Market Price. If pursuant to section 2.12 of Exchange Policy 4.4, the Corporation does not issue a news release to fix the price, the Discounted Market Price will be the last closing price of the Common Shares before the date of the grant of Option, less the applicable discount.

A minimum exercise price cannot be established unless the Options are allocated to particular Persons.

If Options are granted within 90 days of a Distribution by a Prospectus, the minimum exercise price of such Options will be the greater of the Discounted Market Price and the per share price paid by the public investors for the Common Shares acquired under the Distribution. The 90 day period will begin:

(a) on the date a final receipt is issued by the Exchange for the Prospectus; or

(b) in the case of a Prospectus that qualifies special warrants on the closing date of the special warrant Private Placement.

The exercise price of the Options must be paid in cash.

5.7 Hold Period

In addition to any Resale Restrictions under Securities Laws, where Options are granted by the Corporation as a Tier 2 Issuer, or where the exercise price of an Option is based on the Discounted Market Price, all such Options and the Common Shares issued on the exercise of the Options must be legended with a four month Exchange hold period commencing on the date the Options were granted. The legend must be worded in accordance with Exchange Policy requirements.

As a Tier 1 Issuer the Corporation may grant Options without an Exchange hold period, provided the exercise price of the Option is based on the Market Price rather than the Discounted Market Price of the Common Shares.

6. NUMBER OF SHARES UNDER THE PLAN

Options may be granted by resolution of the Board to Directors, Employees and/or Consultants pursuant to the Plan provided that on the date of any such grant the aggregate number of Common Shares reserved and set aside for issuance under Options granted to Optionees pursuant to the Plan and under other stock options ("Other Stock Options") granted to Directors, Employees and/or Consultants and assumed by the Corporation as a result of the Amalgamation shall not exceed ten per cent (10%) of the issued and outstanding Common Shares. Fractional Common Shares shall not be reserved, set aside, purchased or issued under the Plan. If the right to exercise any Option or Other Stock Option expires or is terminated for any reason without having been exercised, the Common Shares reserved and set aside for such Options and/or Other Stock Options shall be made available for Options to be granted under the Plan.

7. ELIGIBILITY

Options may be granted under the Plan to such Directors, Employees and Consultants of the Corporation as the Board, from time to time, may designate as Optionees under the Plan. Subject to the provisions of the Plan, the total number of Optioned Shares to be reserved, set aside and made available under the Plan and to each Optionee, the time or times at which Options shall be granted and at which such Options shall be exercisable, the exercise price at which Optioned Shares may be purchased and all other terms, conditions and restrictions on the grant and exercise of Options shall be in the sole and final discretion of the Board.

8. TERMS OF THE PLAN

The Plan is subject to the following terms:

(a) All Options granted under the Plan shall be non-assignable and non-transferable.

(b) The period or periods during which Options may be exercisable shall be fixed by resolution of the Board, provided that no such period or periods shall be exercisable more than five years from the date of grant when the Corporation is a Tier 2 Issuer and 10 years when the Corporation is a Tier 1 Issuer.

(c) No more than 5% of the issued Common Shares may be granted to any one individual in any 12 month period, unless the Corporation becomes a Tier 1 Issuer and has obtained disinterested shareholders approval.

(d) No more than 2% of the issue Common Shares may be granted to any one Consultant in any 12 month period.

(e) No more than 2% of the Common Shares may be granted in any 12 month period to an Employee conducting Investor Relations Activities.

(f) If a provision is included in an Option that the Optionee's heirs or administrators can exercise a portion of the outstanding Options, the period in which they could do so must not exceed one year from the Optionee's death.

(g) Approval of disinterested Shareholders will be obtained for the reduction in the exercise price if the Optionee is an Insider of the Corporation at the time of any amendment to the Plan and Options thereunder.

(h) For all Options granted under the Plan to Employees, Consultants or Management Company Employees, the Corporation represents that the Optionee is a bona fide Employee, Consultant or Management Company Employee as the case may be.

(i) Options granted to an Optionee who is a Director, Employee, Consultant or Management Company Employee will expire within 90 days after the Optionee ceases to be at least one of a Director, Employee, Consultant or Manage Company Employee.

(j) Options granted to an Optionee who is engaged in Investor Relations Activities must expire within 30 days after the Optionee ceases to be employed to provide Investor Relation Activities.

(k) Options that have been cancelled or have expired without being exercised continue to be issuable under the Plan.

(l) The Plan will be presented for approval at each annual general meeting of shareholders of the Corporation.

(m) As the Plan and agreements to grant Options constitute Material Information requiring public disclosure on the day the Plan is made effective or amended or an Option is granted or amended, the Corporation will disseminate a news release for each such event, except when Options are granted to Employees or Consultants who are not Directors and are not performing Investor Relations Activities, unless the grant of such Option constitutes Material Information under applicable Securities Laws.

(n) If any Option under the Plan remains unexercised and an offer to purchase all of the Common Shares is made by a third party, the Corporation shall use its best efforts to bring such offer to the attention of the Optionees with outstanding Options as soon as practicable and the Corporation, in its sole discretion, may require the acceleration of the time for the exercise of the any such Options and the time for the fulfillment of any terms, conditions or restrictions required by such Options.

(o) In the event of a change in the number of issued and outstanding Common Shares resulting from subdivision, consolidation and reclassification of Common Shares, payment of stock dividends by the Corporation, issuance of securities convertible into Common Shares, exchange of Common Shares on recapitalization, amalgamation, merger, corporate arrangement, reorganization, liquidation or other corporate procedure of or by the Corporation, the Board may make such adjustment, if any, to the number or exercise price of Optioned Shares, or to both, as the Board deems appropriate to give proper effect to such event, and, to the extent possible, to prevent substantial dilution or enlargement of the Options and rights granted to Optionees under the Plan. In any such event, the maximum number of shares available under the Plan may be appropriately adjusted by the Board. If as a result of a proposed merger, amalgamation or other corporate arrangement or reorganization, the conversion or replacement of Common Shares for shares of another corporation is imminent; the Board may determine, in a fair and equitable manner how all unexercised Options should be treated including without limitation, an acceleration of the time for the exercise of such Options by the Optionee and of the time for the fulfillment of any terms, conditions or restrictions required for the exercise of such Options. All determinations of the Board under this paragraph shall be made in accordance with the Policies of the Exchange and the applicable Securities Laws and shall be made in the sole discretion of the Board. The Corporation may satisfy any obligation to the Optionee hereunder by paying to the Optionee in cash the difference between the Exercise Price of any unexercised portion of the Option and the fair market value of the securities to which the Optionee would be entitled upon exercise of such portion, regardless of whether all conditions of exercise have been satisfied. Any Option adjustments under this paragraph or any determinations as to the fair market value of any securities shall be made by the Board and all such determinations shall be binding and conclusive.

9. TERMS AND CONDITIONS OF OPTIONS

All stock options granted by the Corporation shall be granted under the Plan after the Exchange accepts the Plan. Options under the Plan shall be granted upon and subject to the terms and conditions hereinafter set forth.

9.1 Exercise Price

The price (herein referred to as the "exercise price") to purchase each Optioned Share pursuant to an Option granted to an Optionee shall be determined and established by the Board in accordance with the Plan, but, in no event, shall the exercise price be less than the amount determined by the Board to be reasonable in all the circumstances at the time the Option is granted, or less than the amount specified by the Exchange or by applicable Securities Laws.

9.2 Option Agreement

All Options granted under the Plan shall be evidenced by an agreement ("Option Agreement") made between the Corporation and each Optionee in the form approved by the Board, such approval to be conclusively evidenced by the execution of the Option Agreement by any director of the Corporation other than the Optionee. The Option Agreement shall be substantially in the form and subject to the terms of the agreement attached hereto as Schedule "A".

9.3 Length of Grant

All Options granted under the Plan shall expire not later than five years from the date of grant of such Options when the Corporation is a Tier 2 Issuer or 10 years from the date of the grant when the Corporation is a Tier 1 Issuer; and the Options may be exercised by the Optionee in such varying percentages, on a cumulative basis, during the term of the Option Agreement as the Board may determine and specify in the Option Agreement.

9.4 Non-Assignable and Non-Transferable

Each Option granted under the Plan shall be non-transferable and non-assignable by an Optionee (whether absolutely or by way of mortgage, pledge or other charge) unless the Exchange consents in writing to the transfer or assignment.

9.5 Right to Exercise Option

Each Optionee, upon becoming entitled to exercise an Option for any Optioned Shares in accordance with the Option Agreement, shall thereafter be entitled to purchase such Optioned Shares in accordance with the Option Agreement at any time prior to the expiration or other termination of the Option Agreement or the Options granted thereunder.

9.6 Exercise and Payment

An Option granted under the Plan may be exercised by an Optionee or the legal representative of the Optionee by delivery to the Corporation at its registered office a written notice addressed to the President of the Corporation specifying the number of Optioned Shares under the Option being exercised and accompanied by payment (in cash or by certified cheque payable to the Corporation) of the entire exercise price (determined in accordance with the Option Agreement) for the number of Optioned Shares specified for purchase in the notice. Upon any such exercise of an Option, the Corporation shall cause the transfer agent and registrar of the Corporation to deliver promptly to the Optionee or to the Optionee's legal representative, as the case may be, a share certificate in the name of such Optionee representing the number of Optioned Shares specified in the notice.

Notwithstanding any provisions in the Plan or in any Option, the Corporation's obligation pursuant to the exercise of an Option to issue Common Shares in the Optionee's name and to deliver a share certificate or certificates to the Optionee or the Optionee's legal representative shall be subject to:

(a) any legending and/or hold periods required by the Exchange and/or Securities Laws;

(b) completion of such registration and other requirements for the issuance of Common Shares and obtaining such approval or approvals of the Exchange or Securities Commissions as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale of Common Shares;

(c) listing the Common Shares on the Exchange; and

(d) receipt by the Corporation from the Optionee of such representations, agreements and undertakings regarding the Optionee's future dealings with such Common Shares as the Corporation deems necessary or advisable to safeguard against violations of the policies of the Exchange and/or Securities Laws.

9.7 Rights of Optionees

An Optionee shall have no rights whatsoever as a shareholder of the Corporation in respect of any of the Optioned Shares granted to the Optionee (including, without limitation, any right to receive dividends or distributions of assets, to vote, to receive warrants or rights under any rights offering) other than in respect of the Common Shares which have been purchased by, issued to and registered in the name of the Optionee pursuant to the exercise of an Option.

9.8 Termination

If an Optionee is dismissed as an Employee, Director or Consultant by the Corporation or by one of its subsidiaries for cause, all unexercised Option rights of that Optionee under the Plan shall terminate on dismissal and shall expire notwithstanding the original term of the Option granted to such Optionee under the Plan.

9.9 Retirement, Disability or Resignation

If an Optionee ceases to be an Employee, Director or Consultant of the Corporation or one of its subsidiaries as a result of:

(a) disability or illness preventing the Optionee from performing the duties routinely performed by such Optionee, or

(b) retirement at the normal retirement age prescribed by the Corporation's pension plan, if any,

for a period of 90 days from the date the Optionee ceases to be an Employee, Director or Consultant or until the specified expiry date of the Option rights of such Optionee, which ever first occurs, such Optionee shall have the right to exercise the Option in accordance with the Plan for all Optioned Shares of the Optionee to the extent the Options were exercisable on the date the Optionee ceased to be a Director, Employee or Consultant. Upon the expiration of the 90 day period, all unexercised Option rights of the Optionee shall terminate and shall expire notwithstanding the original term of the Option granted to such Optionee

under the Plan.

If an Optionee ceases to be an Employee or Consultant as a result of resignation as provided in the Plan, the Option shall terminate on the earlier of the specified expiry date of the Option rights of such Optionee and 5:00 p.m. (Calgary Time) on the day on which the resignation is filed with the Corporation.

9.10 Deceased Optionee

In the event of the death of an Optionee, for a period of one year from the Optionee's date of death or until the expiry date of the Option rights of the deceased Optionee, which ever first occurs, the heirs, administrators and/or legal representatives of the deceased Optionee shall have the right of to exercise the deceased Optionee's Option with respect to all of the Optioned Shares to the extent the Options were exercisable on the date of death. Upon the expiration of such period all unexercised Option rights of the deceased Optionee shall terminate and shall expire notwithstanding the original term of the Option granted to the deceased Optionee under the Plan.

10. AMENDMENT AND DISCONTINUANCE OF PLAN

From time to time for the duration of the Plan, the Board may amend or revise the terms and conditions of the Plan and may discontinue the Plan at any time, provided that such amendment, revision and/or discontinuance is made in accordance with Exchange Policy 4.4 and the applicable Securities Laws and that such amendments, revisions and/or discontinuance shall not adversely affect the rights of any Optionees under Options granted pursuant the Plan without the consent of such Optionees.

11. NO ADDITIONAL RIGHTS

Nothing in this Plan or in any Option granted hereunder shall confer on:

(a) any Optionee or other Person any interest or title in or to any securities of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation other than as set forth in the Plan and pursuant to the exercise of any Option;

(b) any Employee the right to continue in the employment of the Corporation or any Director the right to hold an office of the Corporation or to affect in any way the right of the Corporation to terminate such Employee's employment or such Director's office, nor shall anything in the Plan or in any Option be deemed or construed to constitute an agreement by the Corporation to extend any term of employment or office beyond the time specified in any contract of employment or appointment of office;

(c) any Consultant the right to continue providing services to the Corporation or to affect in any way the right of the Corporation to terminate the Consultant's contract, nor shall anything in the Plan or in any Option be deemed or construed to constitute an agreement by the Corporation to extend the term of the Consultant's contract or the time for the performance of the Consultant's services beyond the term or the time specified in the Consultant's contract.

12. COMPLIANCE WITH LAWS

The obligations of the Corporation to sell Common Shares and deliver share certificates for such Common Shares under the Plan are subject to the Corporation's and the Optionee's compliance with all applicable corporate and Securities Laws as the Corporation deems necessary or advisable.

APPENDIX "B"
to the Management Proxy Circular of FLYHT Aerospace Solutions Ltd.

AUDIT COMMITTEE

Composition

The Corporation's Audit Committee is comprised of Messrs. Bill Tempany, Doug Marlin, John Belcher and Paul Takalo. Other than Mr. Tempany, all of the members of the Audit Committee are independent directors. All members of the Audit Committee are financially literate.

Relevant Education and Experience of Members of Audit Committee

Bill Tempany has spent 32 years building businesses and writing and implementing software for many industries with a main orientation to accounting, inventory, and financial controls. The businesses that Mr. Tempany started and operated over his 31-year career have provided audited financial statements and Mr. Tempany has developed a good understanding of GAAP and the requirements for standards and controls. As well, this experience has given him a strong understanding of estimates, accruals, and reserves. Analysis of financial statements for his own companies, competitors, customers, and acquisition targets has given Mr. Tempany a solid understanding of financial statement analysis. Coupled with that experience is a strong background with public companies which has given him an extensive understanding of the fiduciary duties of an audit committee member and board member as well as his responsibility to the Corporation's shareholders.

Doug Marlin has been involved in the management and control of high-tech businesses since 1981. Mr. Marlin's responsibilities have included senior management, financial decision making, designing and writing financial systems and dealing with accounting and financial issues. As well, Mr. Marlin has director and audit committee experience with other public companies which have provided him with a good working knowledge of accounting principles.

Paul Takalo is a Chartered Accountant with over 22 years' experience in both public practice and industry. From November 2005 to January 2015, Mr. Takalo held the position of Vice-President, Finance and later CFO with a major automotive parts manufacture. Prior thereto, Mr. Takalo spent over 22 years in public practice dealing primarily with mid-sized clients in the areas of audit and advisory services for manufacturing, aviation, oil and gas exploration and servicing companies. For the last five years in public practice, Mr. Takalo was an audit partner.

John Belcher was formerly Chairman and Chief Executive Officer of ARINC Incorporated, and has held positions as President and CEO of Hughes Aircraft of Canada, Ltd., Vice President Hughes Aircraft Company, President and CEO Thompson-Hickling Aviation, and several other positions with financial responsibilities. John presently serves on seven other boards, including on several audit committees, all of which have provided him with a good working knowledge of accounting principles.

Audit Committee Charter

A. Composition and Process

1. The Audit Committee shall be composed of a minimum of three members of the Board of Directors, a majority of whom are not officers or employees of the Corporation or any of its affiliates.

2. Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.

3. The Chairperson shall be appointed by the Board of Directors for a one-year term, and may serve any number of consecutive terms.

4. All members of the Audit Committee shall be financially literate. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement that present a breadth and level of complexity comparable to the Corporation's financial statements.

5. The Chairperson shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Audit Committee. The Audit Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.

6. The Audit Committee shall meet at least four times per year and may call special meetings as required. A quorum at meetings of the Audit Committee shall be its Chairperson and one of its other members or the Chairman of the Board of Directors. The Audit Committee may hold its meetings, and members of the Audit Committee may attend meetings, by telephone conference if this is deemed appropriate.

7. The minutes of the Audit Committee meetings shall accurately record the decisions reached and shall be distributed to Audit Committee members with copies to the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

8. The Audit Committee reviews, prior to their presentation to the Board of Directors and their release, all material financial information required by securities legislation and policies.

9. The Audit Committee enquires about potential claims, assessments and other contingent liabilities.

10. The Audit Committee periodically reviews with management, depreciation and amortization policies, loss provisions and other accounting policies for appropriateness and consistency.

11. The Charter of the Audit Committee shall be reviewed by the Board of Directors on an annual basis.

B. Authority

1. Appointed by the Board of Directors pursuant to provisions of the *Canada Business Corporations Act* and the bylaws of the Corporation.

2. Primary responsibility for the Corporation's financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board of Directors. The Audit Committee is a standing committee of the Board of Directors established to assist it in fulfilling its responsibilities in this regard. The Audit Committee shall have responsibility for overseeing management reporting on internal controls. 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.

3. In fulfilling its responsibilities, the Audit Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

4. The Audit Committee shall have direct communication channels with the internal auditor (if any) and the external auditor to discuss and review specific issues, as appropriate.

5. The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.

6. The Audit Committee shall establish the compensation to be paid to any advisors employed by the Audit Committee and such compensation shall be paid by the Corporation as directed by the Audit Committee.

C. Relationship with External Auditors

1. An external auditor must report directly to the Audit Committee.

2. The Audit Committee is directly responsible for overseeing the work of the external auditor including the resolution of disagreements between management and the external auditor regarding financial reporting.

3. The Audit Committee shall implement structures and procedures to ensure that it meets with the external auditor on at least annually in the absence of management.

D. Accounting Systems, Internal Controls and Procedures

1. Obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Corporation and its subsidiaries and affiliates.

2. The Audit Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements and will periodically assess the adequacy of those procedures.

3. Direct the external auditor's examinations to particular areas.

4. Review control weaknesses identified by the external auditor, together with management's response.

5. Review with the external auditor its view of the qualifications and performance of the key financial and accounting executives.

6. In order to preserve the independence of the external auditor the Audit Committee will:

   (a) recommend to the Board of Directors the external auditor to be nominated; and

   (b) recommend to the Board of Directors the compensation of the external auditor's engagement.

7. The Audit Committee shall review and pre-approve any engagements for non-audit services to be provided by the external auditor or its affiliates, together with estimated fees, and consider the impact on the independence of the external auditor.

8. Review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.

9. The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and most recent former external auditor of the Corporation.

10. The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

11. The Audit Committee shall on an annual basis, prior to public disclosure of its annual financial statements, ensure that the external auditor has entered into a participation agreement and has not had its participant status terminated, or, if its participant status was terminated, has been reinstated in accordance with the Canadian Public Accountability Board ("CPAB") bylaws and is in compliance with any restriction or sanction imposed by the CPAB.

E. Statutory and Regulatory Responsibilities

1. Annual Financial Information - review the annual audited financial statements, including any letter to shareholders and related press releases and recommend their approval to the Board of Directors, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates with management and the external auditor.

2. Annual Report - review the management discussion and analysis ("MD&A") section and all other relevant sections of the annual report to ensure consistency of all financial information included in the annual report.

3. Interim Financial Statements - review the quarterly interim financial statements, including any letter to shareholders and related press releases and recommend their approval to the Board of Directors.

4. Earnings Guidance/Forecasts - review forecasted financial information and forward looking statements.

5. Review the Corporation's financial statements, MD&A and earnings press releases before the Corporation publicly discloses this information.

F. Reporting

1. Report, through the Chairperson of the Audit Committee, to the Board of Directors following each meeting on the major discussions and decisions made by the Audit Committee.

2. Report annually to the Board of Directors on the Audit Committee's responsibilities and how it has discharged them.

3. Review the Audit Committee's Charter annually and recommend the approval of any proposed amendments to the Board of Directors.

G. Other Responsibilities

1. Investigating fraud, illegal acts or conflicts of interest.

2. Discussing selected issues with corporate counsel or the external auditor or management.

Audit Committee Oversight

The Directors accepted all recommendations of the Audit Committee since the commencement of the most recently completed financial year regarding the recommendation to nominate or compensate an external auditor.

Reliance on Certain Exemptions

The Corporation did not at any time since the commencement of the most recently completed financial year rely on an exemption contained in Multilateral Instrument 52-110 *Audit Committees*, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee shall have authority and responsibility for pre-approval of all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditors or the external auditors of the Corporation's subsidiary entities, unless such pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit Committee.

External Auditor Services Fees

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees[(1)]	Tax Fees[(2)]	All Other Fees
2014	$94,000	$7,500	$8,300	Nil
2013	$92,000	$7,500	$14,275	Nil

Notes:
(1) Specified procedures related to quarterly reporting
(2) Various tax matters

Exemption

The Corporation is relying on the exemption provided in Section 6.1 of MI 52-110.

APPENDIX "C"
to the Management Proxy Circular of FLYHT Aerospace Solutions Ltd.

CORPORATE GOVERNANCE DISCLOSURE (FORM 58-101F2)

1. Board of Directors — Disclose how the board of directors (the board) facilitates its exercise of independent supervision over management, including

(i) the identity of directors that are independent, and

Michael Brown, Douglas Marlin, Jacques Kavafian, Jack Olcott, Barry Eccleston, John Belcher and Paul Takalo.

(ii) the identity of directors who are not independent, and the basis for that determination.

William Tempany.

In determining whether a director is independent, the Corporation chiefly considers whether the director has a relationship which could, or could be perceived to, interfere with the director's ability to objectively assess the performance of management.

Mr. Tempany is an officer of the Corporation and is not considered to be independent.

2. Directorships — If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

Certain of the directors of the Corporation are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

NAME	OTHER ISSUERS
Doug Marlin	ZED-I Solutions (ZED TSX-V)

3. Orientation and Continuing Education — Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.

The Corporation has not developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Corporation by meeting with other directors and its officers and employees. Orientation activities will be tailored to the particular needs and expertise of each director and the overall needs of the board of directors.

4. Ethical Business Conduct — Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.

The Corporation has put into place a Corporate Disclosure Policy, which assists to govern the conduct of the Corporation's directors, officers, spokespersons and employees as it relates to communications with the public. The Corporation does not currently have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The board of directors believes that the Corporation's size facilitates informal review of and discussions with employees and consultants.

The board of directors monitors ethical conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The board of directors has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the board of directors in which the director has an interest, have been sufficient to ensure that the board of directors operates independently of management and in the best interests of the Corporation.

5. Nomination of Directors — Disclose what steps, if any, are taken to identify new candidates for board nomination, including:

(i) who identifies new candidates, and

(ii) the process of identifying new candidates

The board of directors has not appointed a nominating committee because the board of directors as a whole fulfills these functions.

6. **Compensation —** Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

(i) who determines compensation, and

Douglas Marlin, Michael Brown, Jack Olcott, Barry Eccleston and Jacques Kavafian are members of the Corporation's Governance and Compensation Committee, which determines the compensation for directors (if any) and executive officers.

(ii) the process of determining compensation.

Market comparisons, as well as evaluation of similar positions in different industries in the same geography.

7. **Other Board Committees —** If the board has standing committees other than the audit and compensation identify the committees and describe their function.

The Governance and Compensation Committee generally assumes responsibility to: (i) review and advance the governance of the Corporation and ensure that the Corporation maintains a culture of good governance practice; (ii) assess, monitor, and make recommendations regarding additional and substitutional individuals as members of the board of directors; and (iii) assist the board of directors in respect of compensation policies for the Corporation and review and recommend compensation strategies for the Corporation and proposals relating to compensation for officers, directors, and employees to assess the performance of the officers of the Corporation in fulfilling their responsibilities and meeting corporate objectives.

There are no other committees for the Corporation.

8. **Assessments —** Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.

The board of directors takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the board of directors decision making processes and the quality of information provided by management.