



Kinaxis Inc.
Annual Information Form

March 2, 2015

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EXPLANATORY NOTES

This Annual Information Form is dated March 2, 2015, which is the date it was approved by the Company’s Board of Directors, and, unless specifically stated otherwise, all information disclosed in this Annual Information Form (“**Annual Information Form**”) is provided as at December 31, 2014, the end of Kinaxis’ most recently completed fiscal year. Unless otherwise noted or the context otherwise indicates, “Kinaxis”, “we”, “us”, “our” and the “Company” refers to Kinaxis Inc. and its subsidiaries as constituted on December 31, 2014.

Presentation of Financial Information and Other Information

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

Trade-marks, Trade Names and Service Marks

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

Market and Industry Data

Unless otherwise indicated, information contained in this Annual Information Form concerning our industry and the markets in which we operate, including our general expectations and market position, is based on information from independent industry organizations, such as Gartner, Inc. (“**Gartner**”), other third-party sources (including industry publications, surveys and forecasts), and management studies and estimates. This Annual Information Form makes reference to the following report published by Gartner: Gartner; Magic Quadrant for Supply Chain Planning System of Record, Payne, T.; 6 March 2014 (the “**Gartner March 2014 Report**”). The Gartner March 2014 Report represents data, research, opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, and are not representations of fact. The Gartner March 2014 Report speaks as of its original publication date (and not as of the date of this Annual Information Form) and the opinions expressed in the Gartner March 2014 Report is subject to change without notice.

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

Exchange Rate Data

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

	<u>High (Cdn\$)</u>	<u>Low (Cdn\$)</u>	<u>Average (Cdn\$)</u>
Fiscal Years Ended			
December 31, 2014	1.1617	1.0655	1.1042
December 31, 2013	1.0640	0.9859	1.0303

FORWARD-LOOKING STATEMENTS

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

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

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

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

Although the forward-looking statements contained in this Annual Information Form are based upon what our management believes are reasonable assumptions, these risks, uncertainties, assumptions and other factors could cause our actual results, performance, achievements and experience to differ materially from our expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

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

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

CORPORATE STRUCTURE

Name, Address and Formation

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

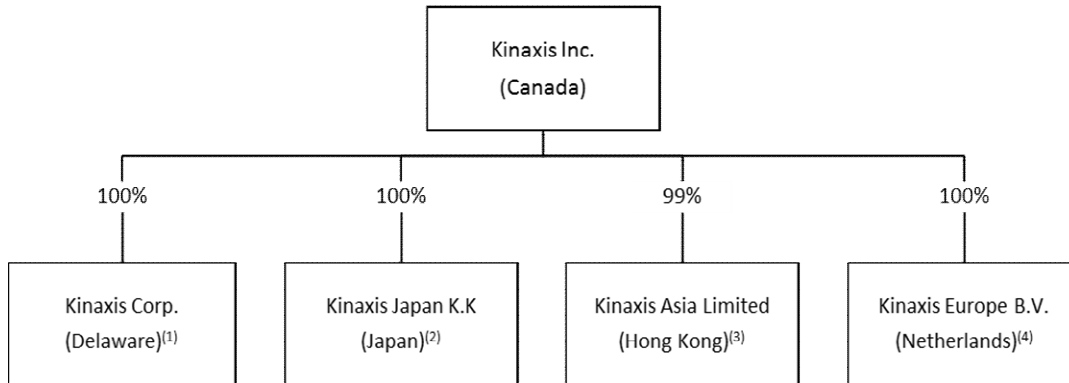
Our principal business office and registered office is located at 700 Silver Seven Road, Ottawa, Ontario, Canada K2V 1C3.

Prior to the closing of the initial public offering (the “**IPO**”) of our common shares (collectively, the “**Common Shares**”), our authorized and issued share capital included multiple share classes as a result of our history of venture capital financing as well as for tax planning purposes. Concurrently with the closing of our IPO, our capital structure was simplified such that our authorized capital consists of a single class of Common Shares. For additional information, please see “*Our Business – Capital Reorganization*”.

Following the closing of our IPO on June 10, 2014, our Common Shares are posted and listed for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**KXS**”.

Intercorporate Relationship

We have the following subsidiaries:



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

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

(3) Kinaxis Asia Limited is incorporated under the laws of Hong Kong and operates as our sales and services center in Asia. We acquired Kinaxis Asia Limited in 2004. In accordance with the laws of Hong Kong, Kinaxis Asia Limited must have two shareholders. We own 9,900 of the 10,000 issued and outstanding ordinary shares and Douglas Colbeth, our President and Chief Executive Officer, owns the remaining 100 ordinary shares. Douglas Colbeth has executed and delivered a declaration of trust whereby he has agreed to hold the 100 ordinary shares in trust for us and act as our nominee.

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

OUR BUSINESS

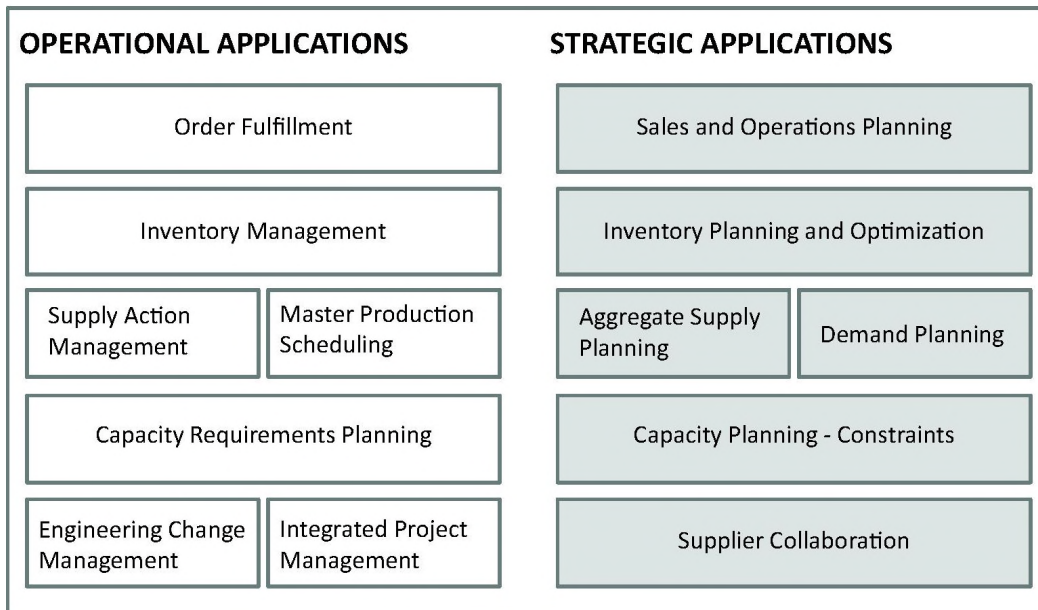
Overview

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

Our business was founded on the premise that supply chains have grown so large and complex, and move so quickly, that it is virtually impossible for a large enterprise to create a single perfect supply chain plan. Enterprises require sophisticated tools to both create plans and address variances to their plans. Our core value proposition is that we are the leading SCM vendor that addresses a broad array of supply chain business problems with a single product. This “one-to-many” capability is made possible by our unique and patented technology. By using RapidResponse instead of combining individual disparate products, our customers gain visibility across their supply chains, can respond quickly to changing conditions, and ultimately realize significant operating efficiencies.

True to our founding concept, our product helps large enterprises meet both their operational needs as well as their strategic goals. RapidResponse helps our customers to manage supply and/or demand at an aggregate level (for example, by region or product family) and detailed level (for example, by part). The unique design of RapidResponse supports numerous applications, including:

RapidResponse Collection of Cloud Applications



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

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

Revenue from subscriptions to our software and software-related support services for the years ended December 31, 2014 and December 31, 2013 represented 75% and 68% of total consolidated revenue respectively. Professional services revenue for the years ended December 31, 2014 and December 31, 2013 represented 25% and 32% of total revenue respectively.

Three Year Business Development History

In November 2011, we announced the opening of a new office in Eindhoven, the Netherlands, in response to increasing demand for our product in the region.

On March 10, 2014, we announced that Gartner, the world's leading provider of IT research advisory services, published a Magic Quadrant for Supply Chain Planning System of Record report. (Source: Gartner March 2014 Report.) Kinaxis was positioned in the Leaders Quadrant.¹

On March 11, 2014, we announced that Ronald A. Matricaria joined the Board of Directors, offering additional industry expertise in life sciences.

On June 10, 2014, we completed our IPO and concurrent secondary offering. Kinaxis issued 5,000,000 Common Shares from treasury and two of our significant shareholders, HarbourVest International Private Equity Partners III – Direct Fund L.P. (“**HV III**”) and TechnoCap I, L.P. (“**TechnoCap**”), sold an aggregate of 2,739,715 Common Shares, at a price of Cdn\$13.00 per share. The IPO and secondary offering results in aggregate gross proceeds of Cdn\$65.0 million to Kinaxis and Cdn\$35.6 million to the selling shareholders. In connection with the IPO, our Common Shares began trading on the TSX under the symbol “KXS”. On June 18, 2014, we used \$30.0 million from the net proceeds of our IPO to repay in full a term loan made available to use by a major Canadian chartered bank. The term loan was subsequently terminated.

Concurrently with the closing of our IPO, our capital structure was simplified such that our authorized capital consists of a single class of Common Shares. For additional information, please see “*Our Business – Capital Reorganization*”.

On July 2, 2014, we announced the appointment of David Kelly to the position of Vice President, Professional Services. Mr. Kelly is responsible for our global deployment, training and consulting teams.

On July 3, 2014, the underwriters of our IPO and concurrent secondary offering exercised in full their over-allotment option to purchase an additional 1,160,957 Common Shares of Kinaxis at a price of Cdn\$13.00 from HV III and TechnoCap for additional gross proceeds of approximately Cdn\$15.1 million, bringing the aggregate transaction size to Cdn\$115.7 million.

On December 16, 2014, HV III and TechnoCap completed a secondary offering of 2,500,000 Common Shares on a “bought deal” basis at a price of Cdn\$18.35 per share for aggregate gross proceeds of a Cdn\$45.8 million. Kinaxis did not receive any proceeds from this secondary offering.

On January 28, 2015, we announced the appointment of Ed Shepherdson to the newly-created position of Senior Vice President, Customer Success Operations. In this senior position, Mr. Shepherdson will lead our current customer support team and the customer data center operations team, as well as drive new initiatives across the broader client services organization.

Product Capabilities and Applications

We sell RapidResponse as a collection of cloud-based configurable applications. Our customers may deploy one or more applications depending on their particular needs. Each application is founded on the single RapidResponse data model and analytics engine, and is accessed through a common user interface. This means any subsequent application the customer may select is added as an extension of the customer's existing system, not as an isolated product that requires integration. The following is a description of the various applications:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Professional Services

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

- the success of the customer's initial deployment of RapidResponse;

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

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

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

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

- *Manage:* Manage the project to achieve a successful and rapid deployment.
- *Connect:* Integrate RapidResponse with internal data systems, as well as those of supply chain partners if applicable, and perform input data verification and data audit functions.
- *Configure:* Train the internal customer deployment team on the RapidResponse application(s); configure settings, users and groups; and design, build and prototype unique resources to meet unique customer requirements.
- *Confirm:* Test business processes and configured system resources.
- *Close-out:* Promote configured solutions from deployment to ready state and transition customers from involvement with our professional services team to interaction with our support team.

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

Supply Chain Expert Community (for Customer Support): Our on-line community is a public forum hosted and maintained by us and is a key resource for our customer support service. The RapidResponse sub-community is a private forum for customers to learn about and discuss RapidResponse. In this sub-community, casual users, frequent users, and RapidResponse system administrators can all obtain access to key resources, including a support forum, help video library, training center and upgrade center. Our broader public online community is open to all supply chain professionals and offers a unique opportunity to learn, share and connect with supply chain experts. In this network community, users are able to gain insights into best practices, discuss industry trends, and network with over 8,000 other users.

Customers & Targeted Industries

Our customers are primarily global enterprises with highly volatile and complex supply chain networks.

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

We do not consider our revenues to be concentrated in any one particular customer and no one customer accounted for more than 10% of our revenues for the year ended December 31, 2014.

More than three-quarters of our customers have standardized on SAP and/or Oracle for their ERP systems. Both SAP and Oracle offer supply chain management products. However, rather than select a common vendor for their ERP and SCM systems, our customers have selected our product to gain added capabilities.

We deliver a product that can act as the central supply chain planning and decision-making system for large manufacturing companies with complex supply chains and volatile business environments. Our targeted verticals include: (i) High Technology & Electronics; (ii) Aerospace & Defense; (iii) Life Sciences & Pharmaceuticals; (iv) Industrial and (v) Automotive.

Customer Buying Cycle

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

Sales and Marketing

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

Sales Channels

Direct Sales

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

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

Other Channel Partners

A minority of our software sales originate from our other channels including our partners and resellers. We encounter little channel conflict as our resellers and other partners collaborate closely with our direct sales team and offer important value-added services or relationships that supplement our in-house resources.

Partners

Our partnership programs are a key component of our success in scaling our business and expanding our reach into our target markets. As trusted industry advisors, our partners recommend RapidResponse for mutually beneficial client relationships. We offer tools and resources to our partners to update them on the latest product and industry developments. After implementation, our partners have the opportunity to expand their footprint with existing customers through additional consulting engagements. Organizations choose to partner with us for revenue opportunities, consulting engagements, and added value for their customers.

Currently, we are growing the number of relationships we have with our partners to better service our customers. The depth and diversity of these partnerships continue to expand and evolve over time, with a number of new partners currently in various stages of discussions and contract negotiations.

An area of particular interest and growth for us is partnerships with Managed Services Providers (MSPs). MSPs provide business process management to enterprises that wish to outsource specific business functions. SCM is a function that could potentially be outsourced. Certain of our contract manufacturing customers are positioned to be first movers in selling managed SCM services to their existing brand owner customers. Other MSPs could include large system integrators who already perform business process outsourcing (BPO) services, and who wish to move further along the value chain by selling managed SCM services to their existing customers. Both types of MSPs could potentially incorporate RapidResponse into a series of outsourced service offerings.

Resellers

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

Marketing Efforts

Our marketing efforts are primarily directed at generating customer leads and growing brand awareness. In the area of lead generation, we work with our internal resources and with marketing agencies to generate first calls and meetings with executives in various operational roles within our target customer base. We also run direct marketing campaigns aimed at both generating and nurturing leads in our prospect database.

To generate brand awareness, we focus on promoting our expert resources and content, including through our supply chain expert community. Our goal is to be viewed in our target markets as the technology organization that truly understands the challenges facing today's global supply chain leaders, and to be a source of practical and low-risk solutions to these challenges.

In the cross-over areas of lead generation and brand awareness expansion, we work closely with experts in the field and spend significant resources on search engine optimization and search engine marketing. We sponsor and participate in many global supply chain and S&OP conferences, with a focus on events that draw participants from our targeted industries and functional roles. We also develop relationships with industry thought leaders and analysts in the supply chain sector, with a focus on the key analysts that supply chain and information technology (IT) departments depend on for advice on supply chain strategies and software purchases.

Product Development

Research and development has historically been a significant portion of our overall operating cost model as we invest in the development and support of our new applications and vertical markets. Our engineering team is organized into an engine development group, an application development group, an integration development group, a solution development group, and an analytics development group. In 2013, we realigned our research and development group to include parts of our marketing, industry consulting and professional services teams. The internal organization of our product development group is geared to reduce our time to market for new innovation.

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

Technology

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

In-memory database:

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

Versioning data engine:

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

Analytics:

RapidResponse analytics provide the computations necessary to support every RapidResponse application. These highly optimized calculations are key to planning functions as well as supporting “what-if” simulations. In order to simultaneously support integration with various host ERP brands and environments, RapidResponse employs configuration settings to control how analytics behave, allowing a single instance of RapidResponse to simultaneously mimic results from multiple ERP brands (for example, Oracle or SAP). This capability is critical to supporting large scale multi-enterprise supply chain networks within a single heterogeneous environment. The analytics code is directly compiled into the database engine where it has direct access to the in-memory data and direct data relationships. Less movement of the data between the database and analytics results in better performance.

Network access & security:

All information processed through our servers is encrypted, password protected and stored securely. Customers transmit data to their servers through an encryption channel, which protects the data against third-party disclosure in transit. All of our servers are protected from Internet intruders by industry standard hardened firewalls, intrusion detection and prevention systems and access control lists as well as other methods. All security services are monitored and maintained on a regular basis by our staff as well as our certified data center providers. We employ industry standard, centrally controlled anti-virus packages and intrusion prevention systems that are monitored and updated on a continual basis. We enter into service level agreements (SLAs) with all customers, promising a minimum of 99.5% service availability. To date, we have consistently exceeded our SLAs.

Intellectual Property

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

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

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

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

We hold a number of registered and unregistered trade-marks, service marks and domain names that are used in our business in both the United States and Canada. “KINAXIS” is a registered trade-mark in the United States, Canada,

Taiwan, Hong Kong, Singapore, China, Japan, Thailand, Korea, Australia and the European Community and “RAPIDRESPONSE” is a registered trade-mark in the United States, Canada and under the Madrid Protocol.

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

<u>Title</u>	<u>Country</u>	<u>Patent Number</u>	<u>Date of Grant</u>
Extended Database Engine Providing Versioning and Embedded Analytics	India	255768	March 21, 2013
System and Method for Determining a Promise Date for a Demand in a Business Environment	Japan	4393993	October 23, 2009
System and Method for Determining a Promise Date for a Demand in a Business Environment	USA	8,015,044	September 6, 2011
System and Method for Determining a Promise Date based on a supply available date	USA	7,610,212	October 27, 2009
Extended Database Engine Providing Versioning and Embedded Analytics	USA	7,698,348	April 13, 2010
Scheduling System	USA	7,945,466	May 17, 2011

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

Competition

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

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

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

Managed Service Providers: MSPs combine a traditional on-premise software approach with professional IT services. Many traditional on-premise software providers also have a professional services component.

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

Competitive software and consulting services vendors primarily include: SAP AG, Oracle Corporation, RedPrairie Holding, Inc. (including JDA Software Group, Inc.), INFOR, INC. and E2Open, Inc. From time to time we also encounter other players in the market.

Employees

As of December 31, 2014, we had 287 employees. None of our employees are represented by a collective bargaining agreement and we have never experienced any work stoppage. We consider our relations with our employees to be good and we view our employees as an important competitive advantage. Historically, we have been successful in retaining our key employees including members of our management team. Our management team has an in depth knowledge of our target vertical markets, and of the SCM industry in general.

Operations

We physically host our cloud solution in secure data center facilities in Ashburn, Virginia and Ottawa, Canada, which are leased from Equinix, Inc. (“**Equinix**”) and Rogers Communications Inc. (“**Rogers**”) respectively. These

facilities feature redundant and fault-tolerant systems for power, cooling and Internet connectivity. In addition, the data centers are continuously staffed with security officers and feature video surveillance and bullet-resistant entrances equipped with biometric access controls. These facilities and our agreements with our providers can be scaled depending on our specific needs. The Equinix facilities have achieved Statement on Standards for Attestation Engagements (SSAE) No. 16, SOC 1, Type II. The Rogers facilities have a number of certifications, including PCI DSS Report On Compliance, ISAE 3402 Type 2, SSAE No. 16, SOC 1, Type II , CSAE 3416 Type 2 and AT 101 SOC 2 Type 1.

Capital Reorganization

Prior to the Company's initial public offering, the Company's authorized capital consisted of an unlimited number of Common Shares, an unlimited number of Non-Voting Common Shares and an unlimited number of Class A Preferred Shares. Concurrently with the closing of our IPO, our capital structure was simplified such that our authorized capital consists of a single class of Common Shares.

At the annual general and special meeting of the shareholders held on May 22, 2014, the shareholders approved a capital reorganization (the "**Capital Reorganization**") consisting of an amalgamation of one of our shareholders, 1170233 Alberta ULC ("**Alberta ULC**"), and the Company with the resulting amalgamated entity having the following authorized capital:

- an unlimited number of Class B Preferred Shares;
- an unlimited number of Class A-1 Voting Common Shares;
- an unlimited number of Class A-2 Non-Voting Common Shares;
- an unlimited number of Class B Voting Common Shares;
- an unlimited number of Class C Preferred Shares; and
- an unlimited number of Common Shares.

Following the filing of the final prospectus for our IPO on June 3, 2014, the Company and Alberta ULC amalgamated. As a result of the Capital Reorganization:

- the holders of Common Shares and Non-Voting Common Shares received an equivalent number of Class A-1 Voting Common Shares and Class A-2 Non-Voting Common Shares respectively;
- the Common Shares, Non-Voting Common Shares and Class A Preferred Shares held by Alberta ULC were cancelled;
- the shareholders of Alberta ULC received an aggregate of 1,253,892.5 Class B Preferred Shares, 5,114,607.98 Class A-1 Voting Common Shares and 800,000 Class A-2 Non-Voting Common Shares in exchange for their shares in Alberta ULC;
- the remaining 3,858,025 Class A Preferred Shares were exchanged for Class B Preferred Shares on a one-for-one basis;
- as elected by certain holders, 1,078,525.47 Class A-1 Voting Common Shares and 1,128,633.44 Class A-2 Non-Voting Common Shares were converted into an aggregate of 2,207,132 Class B Voting Common Shares for purposes of receiving a stock dividend, which was satisfied by issuing an aggregate of 2,207,132 Class C Preferred Shares;
- upon completion of the IPO, all of the issued and outstanding Class B Preferred Shares, Class A-1 Voting Common Shares, and Class A-2 Non-Voting Common Shares were converted into Common Shares on a one-for-one basis with any fractional Common Shares that would otherwise have been issued upon such conversion being cancelled without any payment therefor;
- all of the issued and outstanding Class B Voting Common Shares and Class C Preferred Shares were converted into Common Shares on the basis of one Class B Voting Common Share together with one Class C Preferred Shares being converted into one Common Share with any fractional Common Shares that would otherwise have been issued upon such conversion being cancelled without any payment therefor;
- Class B Preferred Shares, the Class A-1 Voting Common Shares, the Class A-2 Non-Voting Common Shares, the Class B Voting Common Shares and the Class C Preferred Shares were deleted from our authorized capital, such that the capital structure now consists of a single class of Common Shares;
- the restrictions on the transfer of our shares contained in our constating documents were deleted;

- the accumulated deficit generated by the non-cash fair value adjustments amounting to \$41.01 million related to the converted preferred shares was reclassified from deficit to share capital; and
- share issuance costs totaling \$5.22 million net of future tax recoveries of \$1.383 million was recorded to share capital.

As of December 31, 2014 there were 23,739,342 Common Shares issued and outstanding.

RISK FACTORS

An investment in our Common Shares involves significant risks. Investors should carefully consider the risks described below and the other information elsewhere in this Annual Information Form, including our annual consolidated financial statements and related notes. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business and operations and cause the trading price of our Common Shares to decline. If any of the following or other risks occur, our business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of our Common Shares could decline and investors could lose all or part of their investment in our Common Shares. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the below described or other unforeseen risks.

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

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

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

We derive a significant percentage of our revenue from a relatively small number of customers, and the loss of any one or more of those customers could decrease our revenue and harm our current and future results of operations. For the twelve months ended December 31, 2014, our top ten customers accounted for 37% of our revenue with no one customer individually accounting for greater than 10% of our revenue. Although our largest customers may vary from period to period, we anticipate that we will continue to depend on revenue from a relatively small number of customers. In addition, the loss of one or more of our existing customers, or a failure to renew our subscription agreements with one or more of our existing customers, could negatively affect our ability to market our solutions. We rely on our reputation and recommendations from existing customers in order to promote subscriptions to our solutions. The loss of any of existing key customers, or a failure of some of them to renew, could have a significant impact on reputation and our ability to obtain new customers.

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

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

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

As a result of the lengthy and uncertain sales cycles of our products and services, it is difficult for us to predict when customers may purchase products or services from us, thereby affecting when we can recognize the associated revenue, and our results of operations may vary significantly and may be adversely affected. The length of our sales cycle makes us susceptible to having pending transactions delayed or terminated by our customers if they decide to

delay or withdraw funding for information technology, or IT, projects. Our customers may decide to delay or withdraw funding for IT projects for various reasons, including global economic cycles and capital market fluctuations.

We rely significantly on recurring revenue, which may decline or fail to be renewed, and our future results of operations could be harmed.

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

Our revenue from subscriptions to our software and software-related support services accounted for approximately 75% of our total revenue for the year ended December 31, 2014. Revenue from our subscriptions is recognized over the contractual term of the license, which is typically between two to five years, and is generally recurring in nature. Sales of new or recurring subscriptions and software-related support service contracts and renewals after expiration of the initial term may decline or fluctuate as a result of a number of factors, including end customers' level of satisfaction with our software solutions; the price, performance and functionality of our software solutions; the availability, price, performance and functionality of products and services offered by our competitors; or reductions in our customers' spending levels. A software industry-wide movement towards shorter contractual license terms led by other SaaS providers, which competitive pressures may compel us to follow, could lead to increased volatility and diminished visibility into future recurring revenue. If our sales of new or recurring subscriptions and software related support service contracts decline, our revenue and revenue growth may decline, and our business will suffer.

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

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

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

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

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

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

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

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

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

We are subject to fluctuations in currency exchange rates.

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

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

We began our operations in 1984. Throughout most of our history, we have experienced net losses and negative cash flows from operations. As of December 31, 2014, we had an accumulated deficit of \$46.3 million. We expect our operating expenses to increase in the future as we expand our operations. Furthermore, as a public company, we will incur legal, accounting and other expenses that we did not incur as a private company. If our revenue does not grow to offset these increased expenses, we will not be profitable. We cannot assure you that we will be able to achieve or maintain profitability. You should not consider recent revenue growth as indicative of our future performance.

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

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

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

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

Our inability to adapt to rapid technological change could impair our ability to remain competitive.

The industry in which we compete is characterized by rapid technological change, frequent introductions of new products and evolving industry standards. Our ability to attract new customers and increase revenue from customers will depend in significant part on our ability to anticipate industry standards and to continue to enhance existing solutions or introduce or acquire new solutions on a timely basis to keep pace with technological developments. The success of any enhancement or new solution depends on several factors, including the timely completion and market acceptance of the enhancement or new solution. Any new solution we develop or acquire might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of our competitors implements new technologies before we are able to implement them, those competitors may be able to provide more effective solutions than ours at lower prices.

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

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

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

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

Our ability to retain customers and attract new customers could be adversely affected by an actual or perceived breach of security relating to customer information.

Our operations involve the storage and transmission of the confidential information of many of our customers and security breaches could expose us to a risk of loss of this information, litigation, indemnity obligations and other liability. If our security measures are breached as a result of third-party action, employee error, malfeasance or otherwise, and, as a result, someone obtains unauthorized access to our customers' data, including personally identifiable information regarding users, damage to our reputation is likely, our business may suffer and we could incur significant liability. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, we may be unable to prevent these techniques or to implement adequate preventative measures. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed and we could lose potential sales and existing customers. Further, an actual or perceived security breach affecting one of our competitors or any other company that provides hosting services or delivers applications under a SaaS model, even if no confidential information of our customers is compromised, may adversely affect the market perception of our security measures and we could lose potential sales and existing customers.

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

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

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

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

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

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

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

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

- Traditional on-premise supply chain software vendors and other SaaS providers;
- Managed service providers that combine traditional on-premise software with professional IT services; and
- In-house solutions developed by our customers and potential customers.

To remain competitive, we will need to invest continuously in software development, marketing, customer service and support and product delivery infrastructure. However, we cannot assure you that new or established competitors will not offer solutions that are superior to or lower in price than ours. We may not have sufficient resources to

continue the investments in all areas of software development and marketing needed to maintain our competitive position. In addition, some of our competitors have longer operating histories, greater name recognition, larger customer bases and significantly greater financial, technical, sales, marketing and other resources than us, which may provide them with an advantage in developing, marketing or servicing new solutions. Increased competition could reduce our market share, revenue and operating margins, increase our operating costs and otherwise adversely affect our business.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

costs and harm our business, financial condition and results of operations. If we were compelled to withdraw any of our solutions from the market, our business, financial condition and results of operations could be harmed.

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

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

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

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

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

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

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

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

We have limited experience operating in foreign jurisdictions. Conducting and launching operations on an international scale requires close coordination of activities across multiple jurisdictions and time zones and consumes significant management resources. Customers in countries outside of North America accounted for 11% of our revenue for the fiscal year ended December 31, 2014. Our limited experience in operating our business outside of North America increases the risk that our current and any future international expansion efforts will not be successful. Conducting international operations subjects us to new risks that, generally, we have not faced in North America, including:

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

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

From time to time, we may become defendants in legal proceedings as to which we are unable to assess our exposure and which could become significant liabilities in the event of an adverse judgment.

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

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

With operations and sales in various countries, we are subject to taxation in Canada and several other jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in Canada and these other jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have a material adverse effect on our liquidity and results of operations. Furthermore, there can be no assurance that we will not be subject to adverse consequences as a result of the Capital Reorganization or any related transactions, including increased tax liability. No ruling has been sought from the Canada Revenue Agency in respect of the income tax consequences associated with such transactions.

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

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

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

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

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

We do not currently have any agreement or commitments to acquire any businesses. However, we continue to seek opportunities to acquire or invest in businesses, products and technologies that could expand, complement or otherwise relate to our current or future business. We may also consider, from time to time, opportunities to engage in joint ventures or other business collaborations with third parties to address particular market segments. The pursuit of these activities may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions or joint ventures, whether or not they are consummated. If consummated, these activities create risks such as: (i) the need to integrate and manage the businesses and products acquired with our own business and products, (ii) additional demands on our resources, systems, procedures and controls, (iii) disruption of our ongoing business, (iv) adverse effects to our existing business relationships; and (v) potential loss of key employees. Moreover, these transactions could involve: (i) substantial

investment of funds or financings by issuance of debt or equity securities; (ii) substantial investment with respect to technology transfers and operational integration; and (iii) the acquisition or disposition of product lines or businesses. Also, such activities could result in one-time charges and expenses and have the potential to either dilute the interests of existing shareholders or result in the issuance of, or assumption of debt. Such acquisitions, investments, joint ventures or other business collaborations may involve significant commitments of our financial and other resources. Any such activity may not be successful in generating revenue, income or other returns to us, and the resources committed to such activities will not be available to us for other purposes. Moreover, if we are unable to access capital markets on acceptable terms or at all, we may not be able to consummate acquisitions, or may have to do so on the basis of a less than optimal capital structure. Our inability: (i) to take advantage of growth opportunities for our business or for our products, or (ii) to address risks associated with acquisitions or investments in businesses, may negatively affect our operating results. Additionally, any impairment of goodwill or other intangible assets acquired in an acquisition or in an investment, or charges to earnings associated with any acquisition or investment activity, may materially reduce our earnings which, in turn, may have an adverse material effect on the price of our Common Shares. If we do complete such transactions, we cannot be sure that they will ultimately strengthen our competitive position or that they will not be viewed negatively by customers, securities analysts or investors.

Volatile Market Price for the Common Shares

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

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

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

Future Sales of Common Shares by Existing Shareholders

Subject to compliance with applicable securities laws, sales of a substantial number of Common Shares in the public market could occur at any time before or after the expiration of the lock-up agreements entered into by HV III and TechnoCap in connection with the secondary offering of Common Shares completed on December 16, 2014 (which lock-up agreements are set to expire at the close of trading on March 16, 2015). These sales, or the market

perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of our Common Shares. In addition, the underwriters may waive the provisions of these lock-up agreements and the grant of such a waiver by the underwriters, and any decision by them to waive those conditions may depend on a number of factors, which might include market conditions, the performance of our Common Shares in the market and our financial condition at that time. If the restrictions in such lock-up agreements are waived, additional Common Shares will be available for sale into the public market, subject to applicable securities laws, which could reduce the market price for Common Shares.

Dilution of Investment

The Company may issue additional Common Shares in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuances. In addition, if outstanding options are exercised, an investor will incur additional dilution. Accordingly, holders of Common Shares may suffer dilution.

DIVIDEND POLICY

Prior to our IPO and in connection with our Capital Reorganization discussed under "*Our Business – Capital Reorganization*" in this Annual Information Form, a stock dividend was declared on the Class B Voting Common Shares which was satisfied by issuing in aggregate 2,207,132 Class C Preferred Shares.

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

DESCRIPTION OF THE SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of Common Shares, of which 23,739,342 Common Shares were issued and outstanding as of December 31, 2014.

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

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

Advance Notice Requirements

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

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

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

MARKET FOR SECURITIES AND TRADING PRICE AND VOLUME

The Common Shares are listed for trading on the TSX under the symbol “KXS”. The following table shows the monthly range of high and low prices per Common Share at the close of market on the TSX as well as total monthly volumes and average daily volumes of the Common Shares traded on the TSX for the period between the closing of the Company’s initial public offering and December 31, 2014:

<u>Month</u>	<u>Price per Common Share Monthly High (Cdn\$)</u>	<u>Price per Common Share Monthly Low (Cdn\$)</u>	<u>Common Shares Total Monthly Volume</u>
June (from June 10, 2013)	13.35	12.95	1,665,082
July	16.32	13.76	524,738
August	17.48	15.00	314,175
September	17.58	15.75	157,647
October	16.75	15.26	224,157
November	19.40	17.00	527,139
December	19.40	18.15	595,397

PRIOR SALES

The following table summarizes the issuance by the Company of Common Shares and securities convertible into Common Shares during the Company’s most recent completed financial year. The following table does not take into account securities that were issued in connection with the Capital Reorganization. Amounts are stated in U.S. dollars unless otherwise indicated.

Common Shares

<u>Date of Issuance</u>	<u>Common Shares Issued During the Last Twelve Months</u>			
	<u>Private Placement/Initial Public Offering</u>	<u>Upon Vesting of Restricted Share Units</u>	<u>Upon Exercise of Options</u>	<u>Options Issue/Exercise Price per Common Share (\$)</u>
January 6, 2014 ⁽¹⁾	—	—	157,980	\$1.00
January 6, 2014 ⁽¹⁾	—	—	18,750	\$1.20
February 24, 2014 ⁽¹⁾	—	—	9,000	\$1.00
February 28, 2014 ⁽¹⁾	60,000	—	—	\$9.75
February 28, 2014 ⁽¹⁾	—	—	3,300	\$1.00
March 11, 2014 ⁽¹⁾	—	—	15,375	\$1.00
March 20, 2014 ⁽¹⁾	—	—	5,000	\$1.85
March 20, 2014 ⁽¹⁾	—	—	2,400	\$1.00
March 31, 2014 ⁽¹⁾	—	—	60,000	\$1.00
April 2, 2014 ⁽¹⁾	—	—	5,078	\$1.20
April 10, 2014 ⁽¹⁾	—	—	5,500	\$1.00
April 25, 2014 ⁽¹⁾	—	—	48,603	\$1.00
May 9, 2014 ⁽¹⁾	—	—	22,000	\$1.00
May 15, 2014 ⁽¹⁾	—	—	7,000	\$1.00
May 16, 2014 ⁽¹⁾	—	—	2,600	\$1.00
May 20, 2014 ⁽¹⁾	—	—	18,935	\$1.00
May 22, 2014 ⁽¹⁾	—	—	1,675	\$1.00
May 23, 2014 ⁽¹⁾	—	—	938	\$1.00
May 26, 2014 ⁽¹⁾	—	—	237	\$1.00
May 29, 2014 ⁽¹⁾	—	—	12,100	\$1.00

June 10, 2014 ⁽²⁾	5,000,000	—	—	Cdn\$13.00
June 13, 2014	—	—	5,062	\$1.00
June 18, 2014	—	—	566	\$1.00
June 19, 2014	—	—	5,000	\$1.00
June 23, 2014	—	—	2,500	\$1.00
August 31, 2014	—	—	3,438	\$1.60
August 31, 2014	—	—	7,400	\$3.20
September 5, 2014	—	—	6,250	\$6.60
September 8, 2014	—	—	4,000	\$3.20
September 18, 2014	—	—	2,250	\$3.20
November 7, 2014	—	—	6,250	\$1.60
November 7, 2014	—	—	1,172	\$1.20
November 25, 2014	—	—	8,375	\$3.20
November 27, 2014	—	—	42,471	\$1.60
December 5, 2014	—	—	312	\$3.20
December 10, 2014	—	26,667	—	—
December 11, 2014	—	—	6,018	\$1.60
December 12, 2014	—	—	9,737	\$1.60
December 12, 2014	—	—	2,000	\$1.00
December 19, 2014	—	—	25,000	\$1.00

Options

<u>Date of Issuance</u>	<u>Options Issued During the Last Twelve Months</u>	
	<u>Number of Options</u>	<u>Exercise Price (\$)</u>
January 29, 2014	605,000	\$9.75
February 26, 2014	60,000	\$9.75
June 2, 2014	50,000	Cdn\$13.00
August 7, 2014	10,000	Cdn\$16.70
September 17, 2014	40,000	Cdn\$16.91
November 10, 2014	90,000	Cdn\$17.80
December 22, 2014	10,000	Cdn\$18.48

(1) Issued as non-voting common shares in the capital of the Corporation prior to the completion of the Capital Reorganization. As part of the Capital Reorganization, all non-voting common shares of the Corporation were converted immediately prior to the completion of the IPO into Common Shares, on a one-for-one basis. Please see “*Our Business – Capital Reorganization*”.

(2) Common Shares issued upon closing of the Company’s initial public offering.

SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

To the best of our knowledge, as of December 31, 2014, 5,301,337 Common Shares (representing approximately 22.3% of the outstanding Common Shares as of December 31, 2014) were subject to contractual restrictions on transfer. These Common Shares were subject to contractual restrictions on transfer pursuant to the terms of that certain underwriting agreement dated November 28, 2014 among the Company, HV III, TechnoCap and BMO Nesbitt Burns Inc., Canaccord Genuity Corp., TD Securities Inc., RBC Dominion Securities Inc., National Bank Financial Inc., CIBC World Markets Inc. and Cormark Securities Inc. (collectively, the “**Underwriters**”), pursuant to which, among other things, HV III and TechnoCap agreed to sell 2,500,000 Common Shares at a price of Cdn\$18.35 per Common Shares. Please see “*Our Business – Three Year Business Development History*”. The contractual restrictions on transfer expired at the close of trading on March 16, 2015.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out, for each of our directors and executive officers, the person's name, municipality of residence, position(s) with the Company, principal occupation and, if a director, the year in which the person became a director. Our directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders. As of the date hereof, our directors and executive officers (as a group) owned, or exerted direction or control over, a total of 7,517,520 Common Shares, representing approximately 31.62% of our total outstanding Common Shares.

Name and Place of Residence	Position(s) with Kinaxis	Principal Occupation	Director Since	Expiry of Term
Douglas Colbeth ⁽¹⁾ Scottsdale, Arizona USA	President, Chief Executive Officer and Chairman of the Board	President and Chief Executive Officer of Kinaxis	2001	End of the next AGM unless re-elected
Marc Balevi Hudson, Québec Canada	Director	President of TechnoCap Inc. and a Managing Partner of TechnoCap I, L.P.	1996	End of the next AGM unless re-elected
John (Ian) Giffen ⁽²⁾⁽⁴⁾ Toronto, Ontario Canada	Director	Corporate Director	2010	End of the next AGM unless re-elected
Howard Gwin ⁽²⁾⁽³⁾⁽⁴⁾ Shanty Bay, Ontario Canada	Director	Consultant	2005	End of the next AGM unless re-elected
Robert Wadsworth ⁽³⁾ Wellesley, Massachusetts USA	Director	Managing Director, HarbourVest Partners	2000	End of the next AGM unless re-elected
Ronald Matricaria ⁽²⁾⁽³⁾⁽⁴⁾ Scottsdale, Arizona USA	Director	Retired	2014	End of the next AGM unless re-elected
Richard Monkman Ottawa, Ontario Canada	Chief Financial Officer and Vice President, Corporate Services	Chief Financial Officer and Vice President, Corporate Services of Kinaxis	N/A	N/A
John Sicard Ottawa, Ontario Canada	Chief Products Officer	Chief Products Officer of Kinaxis	N/A	N/A
Jeffrey Johnson Scottsdale, Arizona USA	Executive Vice President, Global Operations	Executive Vice President, Sales of Kinaxis	N/A	N/A

Notes:

- (1) Member of the Disclosure Committee. Mr. Colbeth is Chair of the Disclosure Committee.
- (2) Member of the Audit Committee. Mr. Giffen is Chair of the Audit Committee.
- (3) Member of the Compensation Committee. Mr. Matricaria is Chair of the Compensation Committee.
- (4) Member of the Nominating and Governance Committee. Mr. Gwin is Chair of the Nominating and Governance Committee.

Biographies

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

Douglas Colbeth: President, Chief Executive Officer and Chairman of the Board

Mr. Colbeth has been a director of Kinaxis since 2001, and moved into his current position as President and Chief Executive Officer in 2003. Prior to joining Kinaxis, Mr. Colbeth was Chief Executive Officer of Spyglass Inc., a leading provider of Internet software technologies. In June 1995, Spyglass became one of the first Internet software companies to conduct a successful initial public offering. Mr. Colbeth holds a Bachelor of Science degree from Siena College in New York.

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

Mr. Monkman has served in various finance roles with high technology companies over the past 30 years. Prior to joining Kinaxis in October of 2005, Mr. Monkman held the Chief Financial Officer and other senior finance positions with leading software, services and other public and private high technology companies; most notably IceFyre Semiconductor Corporation, Nokia Internet Communications, SHL Systemhouse Inc. and ISM Corporation. Mr. Monkman is a Chartered Professional Accountant and has a Bachelor of Mathematics and Masters of Applied Science from the University of Waterloo.

John Sicard: Chief Products Officer

Prior to moving into his current role, Mr. Sicard held several positions at Kinaxis including Executive Vice President of Marketing and Development, Chief Operating Officer and Chief Strategy Officer. Before joining Kinaxis in 1994, Mr. Sicard held senior software architect positions in research and development at FastMAN Software Systems Inc. (also known as Promira Software Inc. before being purchased by Manugistics Group Inc.), and Monenco Agra Inc. Mr. Sicard holds a Bachelor of Computer Science degree from Concordia University.

Jeffrey Johnson: Executive Vice President, Global Operations

Before joining Kinaxis in 2012, Mr. Johnson was Executive Vice President of Sales for PSS Systems Inc. which was acquired by International Business Machines Corp in 2010. Mr. Johnson has over 25 years of high-technology sales experience and has held senior sales positions with a variety of software and technology firms, including Agile Software Corporation, PeopleSoft Inc., Blue Martini Software Inc. and SAP AG. Mr. Johnson holds a Bachelor of Arts degree from Washington State University.

Marc Balevi: Director

Mr. Balevi is President of TechnoCap Inc. and a Managing Partner of TechnoCap I, L.P. TechnoCap I, L.P. is a venture capital fund based in Montreal, Quebec that invests in Canadian small businesses in Quebec, Ontario and Western Canada. Mr. Balevi has acted as a director and/or as chairman of the board, of various technology companies advising them in financing and strategic alliances. In 1981, Mr. Balevi joined KPMG LLP, an accounting firm, and practiced as a senior tax partner until 1996. Mr. Balevi holds a Bachelor of Commerce and a Diploma in Accountancy from McGill University. He also holds the professional designations of Chartered Professional Accountant (CPA, CA) and Trust & Estate Practitioner (TEP).

John (Ian) Giffen: Independent Lead Director

Mr. Giffen currently serves as an advisor and/or director to technology companies and investment funds. Mr. Giffen is currently a director of Absolute Software Corporation and a number of private companies. Since 1996, Mr. Giffen has served on the boards of a number of public companies, including Macromedia Inc., Descartes Systems Group Inc., MKS Inc., Digital Processing Systems Inc., MGI Software Corp, Delano Technology Corporation, Corel Corporation, Certicom Corp, Financial Models Company Inc., 724 Solutions Inc., Sierra Systems Group Inc., Open Text Corporation, MOSAID Technologies Incorporated, RuggedCom Inc. and Strategic Vista Inc., as well as on the boards of several private companies. Mr. Giffen is a Chartered Professional Accountant and with a Designation in Corporate Finance. He also has a Bachelor of Arts degree from the University of Strathclyde in Glasgow. Mr. Giffen's professional designations, his educational background, his years of executive experience in the technology sector, including as the Vice President and Chief Financial Officer for Alias Research Inc. from 1992 to 1996, and

his service on other public company boards and board committees, including as a member of the audit committee for the board of directors of all of the public companies on which he has served, and the chair all of such audit committees, with the exception of MOSAID Technologies Incorporated, are all relevant to the performance of his responsibilities as the Chair of our Audit Committee.

Howard Gwin: Director

From November 2011 to December 2012, Mr. Gwin served as a Managing Director of OMERS Ventures, the venture capital arm of OMERS, one of Canada's largest pension funds. Prior to joining OMERS Ventures, Mr. Gwin established a track record as a widely-respected technology company operator. In addition, Mr. Gwin previously served as President at Solect Technology Group, which was sold to Amdocs Inc., as Executive Vice President Worldwide Operations at Peoplesoft Inc., and held progressively senior roles at International Business Machines Corporation and Xerox Canada Finance Inc. Mr. Gwin was also a Managing Partner at Bridgescale Partners from March 2010 to September 2011. Mr. Gwin has previously served on the boards of a number of public companies, including Taleo Corp, MKS Inc. and Pivotal Corporation. Mr. Gwin currently serves on the boards of several private companies. Mr. Gwin holds a Bachelor of Arts degree from Simon Fraser University in Canada. Mr. Gwin's years of executive experience in the technology sector, his educational background, and his service on other public company boards and board committees, including as a member of the audit committee for the board of directors of Taleo Corp. and MKS Inc., are all relevant to the performance of his responsibilities as a member of our Audit Committee.

Robert Wadsworth: Director

Mr. Wadsworth joined HarbourVest Partners in 1986 and is a Managing Director who focuses on direct investments globally. Mr. Wadsworth manages many of HarbourVest Partners' investment activities in the industrial, services, and information technology sectors and serves on the firm's Executive Management Committee overseeing day-to-day operating activities and strategic direction. He is currently a director of Earth Networks, Inc. and several other privately-held companies. He has previously served on the board of a number of public and private companies. Mr. Wadsworth's prior experience also includes management consulting with Booz, Allen & Hamilton, where he specialized in the areas of operations strategy and manufacturing productivity. Mr. Wadsworth holds a Bachelor of Science degree in Systems Engineering and Computer Science from the University of Virginia and a Master of Business Administration from Harvard University. Mr. Wadsworth serves as a Trustee of the University of Virginia School of Engineering & Applied Science and St. Sebastian's School.

Ronald Matricaria: Director

Mr. Matricaria is currently a director and chairman of the board at Orthofix International N.V., a publicly traded global medical device company, and most recently served on the board of directors of Life Technologies Corporation. Mr. Matricaria has previously served on the board of directors of a number of public and private companies including Home Depot Inc., Diametric Medical Inc., Ceridian Inc., Centocor, Inc., Haemonetics Corp, Kinetic Concepts Inc., Hospira Inc., Cyberonics Inc., Vistacare Inc., Advanced Medical Technology Association (AdvaMed), the Pharmaceutical Manufacturers Association International Section, the American Diabetes Association, the American Foundation for Pharmaceutical Education, the National Foundation for Infectious Diseases, the National Retiree Volunteer Center and the Indiana Repertory Theatre. Mr. Matricaria also has over 35 years of medical device and pharmaceutical experience at St. Jude Medical, Inc. and Eli Lilly and Company Inc. Mr. Matricaria holds a Bachelor of Science degree from the Massachusetts College of Pharmacy and was awarded an Honorary Doctorate degree in Pharmacy in recognition of his contributions to the practice of pharmacy. Mr. Matricaria's experience as the Chief Executive Officer of a prominent health care organization, his 23 years of executive experience in the pharmaceutical industry, and his service on other public company boards and board committees are all relevant to the performance of his responsibilities as a member of our Audit Committee.

Corporate Cease Trade Orders

None of our directors or executive officers has, within the 10 years prior to the date of this Annual Information Form, been a director, chief executive officer or chief financial officer of any company (including us) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order

similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation, in each case for a period of more than 30 consecutive days.

Bankruptcies

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

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

Mr. Monkman was the Chief Financial Officer of IceFyre Semiconductor Corporation (“**IceFyre**”), a private company that designed and developed Wi-Fi chips, from February 2002 to October 2005. In May, 2005, IceFyre filed a proposal under the *Bankruptcy and Insolvency Act* (Canada) (as amended on July 18, 2005) and appointed PricewaterhouseCoopers Inc. as trustee. The proposal was undertaken for tax reasons and all of the creditors of IceFyre were fully paid and funds were returned to shareholders of IceFyre. The proposal was fully performed as of September 19, 2005.

Personal Bankruptcies

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

Penalties or Sanctions

None of our directors or executive officers or shareholders holding a sufficient number of securities to materially affect control of Kinaxis has: (i) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

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

AUDIT COMMITTEE

Composition of the Audit Committee

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

For the purposes of NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s

financial statements. All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues. The education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee can be found in the profile tables under “Directors and Executive Officers”.

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

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

A copy of the charter of the Audit Committee is attached as Appendix A to this Annual Information Form. The charter of the Audit Committee was amended on November 6, 2014 following the establishment of a new Disclosure Committee. Our Chief Executive Officer and Chief Financial Officer are members of the Disclosure Committee.

Pre-Approval Policies and Procedures

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

Auditor Fees

Fees billed by KPMG LLP to us in the years ended December 31, 2014 and December 31, 2013 were approximately \$741,000 and 67,000, respectively, as detailed below.

	Year ended December 31, 2014	Year ended December 31, 2013
Audit fees	\$732,000	\$ 61,000
Audit-related fees	58,000	6,000
Tax fees	—	—
All other fees	—	—
Fees reimbursed by shareholders.....	(49,000)	—
Total	<u>\$ 741,000</u>	<u>\$ 67,000</u>

Audit fees – Fees billed by KPMG LLP were for professional services rendered for the audit of our financial statements.

Audit-related fees – Fees billed by KPMG LLP were for audit related fees outside of the annual audit.

Fees reimbursed by shareholders – Fees billed by KPMG LLP were \$35,000 for audit fees and \$14,000 for audit related fees relating to the secondary offering. These fees were reimbursed to the Company by HV III and TechnoCap.

LEGAL MATTERS

Our management is not aware of any existing or contemplated legal proceedings material to the Company to which it is a party or to which its property is subject.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To our knowledge, no director, executive officer or any of their respective associates or affiliates has any material interest, direct or indirect, in any transaction within the three years prior to the date of this Annual Information Form, or any proposed transaction, that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares will be CST Trust Company at its principal offices in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which we have entered into since the beginning of the last financial year, or entered into prior to such date, but which are still in effect and which are required to be filed with Canadian securities regulatory authorities in accordance with Section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

IPO Underwriting Agreement

In connection with the IPO, the Company, HV III and TechnoCap entered into an underwriting agreement dated June 3, 2014 with BMO Nesbitt Burns Inc., Canaccord Genuity Corp., TD Securities Inc., RBC Dominion Securities Inc., National Bank Financial Inc., CIBC World Markets Inc. and Cormark Securities Inc. (collectively, the “**Underwriters**”), pursuant to which, among other things, the Company agreed to sell 5,000,000 Common Shares and HV III and TechnoCap agreed to sell an aggregate of 2,739,715 Common Shares (or 1,160,957 including the over-allotment option) at a price of Cdn\$13.00 per Common Share. Please see “*Our Business – Three Year Business Development History*”.

Secondary Offering Underwriting Agreement

In connection with the secondary offering of our Common Shares in December 2014, the Company, HV III and TechnoCap entered into an underwriting agreement dated November 28, 2014 with the Underwriters pursuant to which, among other things, HV III and TechnoCap agreed to sell 2,500,000 Common Shares at a price of Cdn\$18.35 per Common Share. Please see “*Our Business – Three Year Business Development History*”.

A copy of these material contracts are available to be inspected during ordinary office business hours at our principal executive offices located at 700 Silver Seven Road, Ottawa, Ontario, K2V 1C3 and under our profile on the SEDAR website at www.sedar.com.

EXPERTS

Our annual consolidated financial statements as of December 31, 2014 and 2013 have been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report appearing herein, and have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

ADDITIONAL INFORMATION

Additional information relating to Kinaxis may be found on SEDAR at www.sedar.com and on the Company's website at www.Kinaxis.com. You can also obtain a copy of our audited consolidated financial statements and the management's discussion & analysis of the Company for the fiscal year ended December 31, 2014 by visiting the Investor Relations section on the Company's website at www.Kinaxis.com or by contacting Kinaxis' investor relations:

Rob Kelly, TMX Equicom
RKelly@tmxequicom.com
Telephone: (416) 815-0700 ext. 253

or

Lori Smith, Kinaxis
lsmith@kinaxis.com
Telephone: (613) 907-7617

Additional information including directors' and executive officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, will be contained in the Company's management information circular for its first annual meeting of shareholders.

Additional financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2014.

APPENDIX A: AUDIT COMMITTEE CHARTER

KINAXIS INC. (the “Corporation”)

AUDIT COMMITTEE CHARTER

1. Policy Statement

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

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

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

2. Composition of Committee

- (a) The Committee shall be established by a resolution of the Board. The Committee shall consist of a minimum of three (3) Directors. The Board shall appoint the members of the Committee and may seek the advice and assistance of the Nominating and Governance Committee in identifying qualified candidates. The Board shall appoint one member of the Committee to be the chair of the Committee (the “Chair”).
- (b) All of the members of the Committee shall be Directors who are independent within the meaning of National Instrument 52-110 – Audit Committees (“NI 52-110”), and the rules of any stock exchange or market on which the Corporation’s shares are listed or posted for trading (collectively, “Applicable Governance Rules”). In this charter, the term “independent” includes the meanings given to similar terms by Applicable Governance Rules, including the terms “non-executive”, “outside” and “unrelated” to the extent such terms are applicable under Applicable Governance Rules. No member of the Committee shall have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three (3) years.
- (c) All members of the Committee must be able to read and understand fundamental financial statements (including a balance sheet, income statement and cash flow statement) and read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.
- (d) A Director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

3. **Meetings of the Committee**

- (a) The Committee shall convene a minimum of four times each year at such times and places as may be determined by the Chair of the Committee, and whenever a meeting is requested by the Board, a member of the Committee, the auditors or senior management of the Corporation. Scheduled meetings of the Committee shall correspond with the review of the quarterly and year-end financial statements and management discussion and analysis.
- (b) Notice of each meeting of the Committee shall be given to each member of the Committee.
- (c) Notice of a meeting of the Committee shall:
 - (i) be in writing, which includes electronic communication facilities;
 - (ii) state the nature of the business to be transacted at the meeting in reasonable detail;
 - (iii) to the extent practicable, be accompanied by a copy of any documentation to be considered at the meeting; and
 - (iv) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.
- (d) A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee. However, it shall be the practice of the Committee to require review, and, if necessary, approval of important matters by all members of the Committee.
- (e) A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to communicate with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
- (f) In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to chair the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.
- (g) The Committee may invite such persons to attend meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this charter or by applicable laws.
- (h) The Committee may invite the external auditors to be present at any meeting of the Committee and to comment on any financial statements, or on any of the financial aspects, of the Corporation.
- (i) The Committee (i) shall meet with the external auditors separately from individuals other than the Committee and (ii) may meet separately with management of the Corporation.
- (j) Minutes shall be kept of all meetings of the Committee and shall be signed by the chair and the secretary of the meeting. The Chair of the Committee shall circulate the minutes of the meetings of the Committee to all members of the Board.

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

- (a) The Committee, in its capacity as a committee of the Board, is directly responsible for recommending to the Board the public accounting firm to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation (the “external auditor”) as well as the compensation of the external auditor. The

Committee shall also be directly responsible for the oversight of the work of the external auditor (including resolution of disagreements between management and the auditor regarding financial reporting), and each such external auditor must report directly to the Committee.

- (b) The other primary duties and responsibilities of the Committee are to:
- (i) identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation;
 - (ii) monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
 - (iii) monitor the independence, objectivity and performance of the external auditors, including, without limitation: (A) ensuring the Committee's receipt from the external auditors at least annually of a formal written statement delineating all relationships between the external auditors and the Corporation; (B) actively engaging in dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor; and (C) taking, or recommending that the Board take, appropriate action to oversee the independence of the external auditors;
 - (iv) evaluate the performance of the external auditors at least annually;
 - (v) deal directly with the external auditors to approve external audit plans, other services (if any) and fees;
 - (vi) directly oversee the external audit process and results (in addition to items described in subsection 4(e) below);
 - (vii) provide an avenue of communication between the external auditors, management and the Board;
 - (viii) review annually with management of the Corporation the anti-fraud, anti-bribery, anti-corruption and risk assessment programs of the Corporation;
 - (ix) carry out a review designed to ensure that an effective "whistle blowing" procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual; and
 - (x) oversee all pension and retirement benefit plans if and when established.
- (c) The Committee shall have the authority to:
- (i) inspect any and all of the books and records of the Corporation and its subsidiaries;
 - (ii) discuss with the management of the Corporation and its subsidiaries, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers appropriate;
 - (iii) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
 - (iv) set and pay the compensation for any advisors engaged by the Committee.

Relationship with the Board

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

Relationship with External Auditors

- (e) The Committee shall:
 - (i) review the audit plan with the external auditors and with management;
 - (ii) review with the external auditors the critical accounting policies and practices used by the Corporation, all alternative treatments of financial information within international financial reporting standards (“IFRS”) that the external auditors have discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors;
 - (iii) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of material risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
 - (iv) review with management and with the external auditors material financial reporting issues arising during the most recent financial period and the resolution or proposed resolution of such issues;
 - (v) review any problems experienced or concerns expressed by the external auditors in performing any audit, including any restrictions imposed by management or any material accounting issues on which there was a disagreement with management;
 - (vi) review with the external auditors any accounting adjustments that were noted or proposed by the independent auditor but that were “passed” (as immaterial or otherwise), any communications between the audit team and the external auditor’s national office respecting auditing or accounting issues presented by the engagement, any “management” or “internal control” letter or schedule of unadjusted differences issued, or proposed to be issued, by the external auditors to the Corporation, or any other material written communication provided by the external auditors to the Corporation’s management;
 - (vii) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
 - (viii) review and discuss with management and the external auditors any off-balance sheet transactions or structures and their effect on the Corporation’s financial results and operations, as well as the disclosure regarding such transactions and structures in the Corporation’s public filings;
 - (ix) review the audited annual financial statements (including management discussion and analysis) and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all material variances between comparative reporting periods;
 - (x) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management’s

response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls and procedures for financial reporting of the Corporation and subsequent follow-up to any identified weaknesses;

- (xi) review with financial management and the external auditors the quarterly unaudited financial statements and management discussion and analysis before release to the public;
 - (xii) periodically meet separately with management and the external auditors;
 - (xiii) oversee the financial affairs of the Corporation and its subsidiaries, and, if deemed appropriate, make recommendations to the Board, external auditors or management;
 - (xiv) discuss with management and the external auditors any correspondence with regulatory or governmental agencies that raise material issues regarding the Corporation's financial statements or accounting policies;
 - (xv) consider the recommendations of management in respect of the appointment and terms of engagement of the external auditor;
 - (xvi) pre-approve all audit and non-audit services to be provided to the Corporation or its subsidiaries by its external auditors, or the external auditors of subsidiaries of the Corporation, subject to the overriding principle that the external auditors not be permitted to be retained by the Corporation to perform internal audit outsourcing services or financial information systems services; provided that notwithstanding the above, the foregoing pre-approval of non-audit services may be delegated to a member of the Committee, with any decisions of the member with the delegated authority reporting to the Committee at the next scheduled meeting;
 - (xvii) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates thereof together with estimated fees, and consider the potential impact of such services on the independence of the external auditors;
 - (xviii) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the notice of change of auditors and documentation required pursuant to the then current legislation, rules, policies and instruments of applicable regulatory authorities and the planned steps for an orderly transition period; and
 - (xix) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable laws, on a routine basis, whether or not there is to be a change of the external auditors.
- (f) In connection with the public disclosure of financial information and other public disclosure, the Committee shall:
- (i) review the Corporation's financial statements, MD&A and annual and interim profit or loss press releases before the Corporation publicly discloses this information;
 - (ii) review with management its evaluation of the Corporation's procedures and controls designed to assure that information required to be disclosed in the Corporation's periodic public reports is recorded, processed, summarized and reported in such reports within the time periods specified by applicable securities laws for the filing of such reports ("Disclosure Controls"), and consider whether any changes are appropriate in light of management's evaluation of the effectiveness of such Disclosure Controls;

- (iii) establish a policy, which may include delegation to an appropriate member or members of management, for release of earnings press releases as well as for the release of financial information and earnings guidance provided to analysts and rating agencies;
- (iv) satisfy itself that adequate procedures are in place for the review of the Corporation's public information extracted from the Corporation's financial statements, other than the public information reviewed in accordance with section 4(f)(i), and periodically assess the adequacy of those procedures;
- (v) to the extent deemed appropriate, review and supervise the preparation by management of:
 - A. the annual information forms, management information circulars and annual and interim financial statements of the Corporation and any other information of the Corporation filed by the Corporation with the applicable securities regulators;
 - B. press releases of the Corporation containing financial information, earnings guidance, forward-looking statements, information about operations or any other material information;
 - C. correspondence broadly disseminated to shareholders of the Corporation; and
 - D. other relevant written and oral communications or presentations;
- (vi) before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management discussion and analysis and press releases, focusing particularly on:
 - A. any changes in accounting policies and practices;
 - B. any important areas where judgment must be exercised;
 - C. significant adjustments resulting from the audit;
 - D. the going concern assumption, if any;
 - E. compliance with accounting standards; and
 - F. compliance with stock exchange and legal requirements;
- (g) The Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters which are directed to the Committee by any member of the Board, a shareholder of the Corporation, the external auditors or senior management.
- (h) The Committee shall periodically review with management the need for an internal audit function.
- (i) The Committee shall review the accounting and reporting of costs, liabilities and contingencies of the Corporation.
- (j) The Committee shall periodically discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.

- (k) The Committee shall establish, monitor and review policies and procedures for internal accounting, financial control and management information.
- (l) The Committee shall periodically discuss with management the Corporation's process for performing its quarterly certifications pursuant to Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.
- (m) The Committee shall review with the Chief Executive and Chief Financial Officer of the Corporation any report on significant deficiencies in the design or operation of the internal controls that could adversely affect the Corporation's ability to record, process, summarize or report financial data, any material weaknesses in internal controls identified to the auditors, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls.
- (n) The Committee shall establish and maintain procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
 - (iii) reviewing arrangements by which staff of the Corporation may, in confidence, raise concerns about possible improprieties in matters of financial reporting and ensuring that arrangements are in place for proportionate and independent investigation and follow-up action.
- (o) At each meeting of the Committee, the Committee shall review any complaints or concerns of employees of the Corporation regarding accounting, internal accounting controls, or auditing matters relating to the Corporation and violations of the Code of Business Conduct and Ethics of the Corporation, the Anti-Bribery and Anti-Corruption Policy of the Corporation and of any applicable law, rule or regulation and shall follow the procedures established under the Whistleblower Policy regarding such concerns and complaints.
- (p) The Committee shall review all related party transactions and discuss the business rationale for these transactions and determine whether appropriate disclosures have been made. For this purpose, the term "related party transactions" includes any "material transaction" required to be disclosed under Item 13 of Form 51-102F2 under National Instrument 51-102 - Continuous Disclosure Obligations.
- (q) The Committee shall review the Corporation's compliance and ethics programs, including consideration of legal and regulatory requirements, and shall review with management its periodic evaluation of the effectiveness of such programs.
- (r) The Committee shall, in consultation with the Nominating and Governance Committee, review the Corporation's Code of Business Conduct and Ethics and programs that management has established to monitor compliance with such code, and periodically, after consultation with the Nominating and Governance Committee, make recommendations to the Board regarding the Corporation's Code of Business Conduct and Ethics that the Committee shall deem appropriate.
- (s) The Committee shall periodically review the Corporation's Anti-Bribery and Anti-Corruption Policy of the Corporation and make recommendations to the Board regarding the Corporation's Anti-Bribery and Anti-Corruption Policy that the Committee shall deem appropriate.

- (t) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.
- (u) The Committee shall receive any reports from legal counsel of evidence of a material violation of securities laws or breaches of fiduciary duty by the Corporation.
- (v) The Committee shall review with the Corporation's legal counsel, on no less than an annual basis, any legal matter that could have a material impact on the Corporation's financial statements and any enquiries received from regulators or government agencies.
- (w) The Committee shall assess, on an annual basis, the adequacy of this charter and the performance of the Committee.

Approved by the Directors on April 28, 2014 and amended and restated on November 6, 2014.