



**SYMBILITY SOLUTIONS INC.**

**ANNUAL INFORMATION FORM**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013**

March 27, 2014

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## 1.0 Information Incorporated by Reference

Certain information in this annual information form ("AIF") is derived from and incorporated by reference to Symbility Solutions Inc.'s Management Discussion and Analysis for the year ended December 31, 2013 (the "2013 MD&A") dated March 27, 2014.

## 2.0 Forward-Looking Information

This AIF contains certain information that may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future financial position, business strategy and strategic goals, research and development activities, projected costs and capital expenditures, financial results, the ability to raise capital, taxes and plans and objectives of or involving the Corporation.

Without limitation, information regarding the Corporation's future cost structure, future sales and marketing activities, increased penetration into certain markets through strategic partnerships, the impact of the introduction of new products, the ability of new management to leverage sales opportunities, increase in the size of certain markets, expected increases in revenue, expected revenue from certain contracts, customer rollout plans for specific products, expected increase in gross margins, Symbility Health software product placement targets and Symbility Property product placement targets are forward-looking information.

Forward looking-information is subject to certain factors, including risks and uncertainties that could cause actual results, events or developments to be materially different from what we currently expect. These risks include, among others, product development risk, potential product liability, risks related to third-party contractual performance, client demand, competition and the risks posed by potential technological advances, risks relating to the protection of the Corporation's intellectual property, risks relating to fluctuation in foreign currency exchange rates, and exposure to increased credit and liquidity risk. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Corporation may elect to, the Corporation does not undertake to update this information at any particular time unless required by law.

## 3.0 Corporate Structure

### 3.1 Name, Incorporation and Address

Symbility Solutions Inc. (referred to, with its consolidated subsidiaries as the context requires, as the "Corporation" or "Symbility Solutions") develops and markets software designed to improve effectiveness and reduce costs of administration of claims in both the employee benefits and property and casualty insurance markets. The Corporation was incorporated under the Alberta *Business Corporations Act* on July 15, 1999 and commenced operations on January 1, 2000. The Corporation is a publicly traded company with common shares listed on the TSX Venture Exchange. The Corporation is domiciled in Canada and its registered office is located at the 3400 First Canadian Centre 350-7<sup>th</sup> Avenue SW, Calgary, AB T2P 3N9. The Corporation has its executive office at 111 Peter St., Suite 900, Toronto, ON, M5V 2H1, (647) 775-8600 and operating offices in Toronto, ON, Montreal, QC, Milwaukee, WI and Tyler, TX. Internet sites for the Corporation and its subsidiaries are [www.symbilitysolutions.com](http://www.symbilitysolutions.com) and [www.SymbilityHealth.com](http://www.SymbilityHealth.com). The content of these websites are not incorporated by reference into this AIF.

### 3.2 Intercorporate Relationships

The Corporation has three subsidiaries. Each of these subsidiaries is directly or indirectly wholly owned by the Corporation:

- Symbility Health (formerly Automated Benefits Inc.), incorporated under the laws of Alberta;
- Automated Benefits Ltd., incorporated under the laws of Alberta
- Symbility Solutions Corp., incorporated under the laws of Delaware

## **4.0 General Development of Our Business**

### **4.1 Three Year History**

The Corporation is a Canadian, publicly traded company (TSXV:SY) based in Toronto, Ontario. The Corporation is a technology company focused on providing claims processing solutions for separate sectors of the insurance industry. With two divisions serving two distinct markets, the Corporation provides the most robust applications designed to better serve its clients through time and cost savings. The Corporation currently operates through two business divisions: Symbility Property and Symbility Health.

Both divisions share the philosophy of the Corporation – to provide the most advanced solutions for its clients' needs.

#### **Symbility Property**

Over the past three years, we have undertaken many strategic initiatives, which has positioned us to grow. These initiatives were intended to grow our core business, expand our products and services, and continuously improve product offerings with superior technology.

Symbility Property has continued to invest significant resources into further evolving our product offering, while adhering to the following principles:

1. Agility – quickly delivering new features and functionality at a high level of quality when existing or new potential clients identify new requirements.
2. Collaboration – Symbility Property's use of web-based technology changes the positioning of its offering from a basic tool to estimate the cost of a loss, to a workflow management tool that enables insurance adjusters, independent adjusters, and multiple contractors to all collaborate on a claim to increase efficiencies and give the insurer more visibility and control in the settlement process.
3. Flexibility – Symbility Property's pricing database strategy is agnostic. The system, designed to accept information from any pricing database, including those provided by third-party data suppliers and customized pricing arrangements that insurers have negotiated with the supply chain.

#### **Symbility Health**

Symbility Health's focus in 2011 was on leveraging this technology upgrade to provide a platform for additional product offerings that could make our clients more competitive when bidding on groups against insurance companies and other Third-Party Administrator's ("TPA").

Symbility Health's focus in 2012 was on migrating the Symbility Health software to a web-based product. Version 4.0 enabled Symbility Health to provide true Software as a Service ("SaaS") offering, which allowed its clients to access information more quickly from any computer and run the application at faster processing speeds.

Symbility Health focus in 2013 was on enhancing the value proposition of Symbility Health through a mobile application to process health claims and begin work on creating Symbility Health Claims Connect – a workflow to link all of the Symbility Health products together.

### **4.2 Significant Acquisitions**

On April 10, 2012, the Corporation completed the following acquisition as more fully described in the Corporation's Management Information Circular dated February 28, 2012, and the Asset and Stock Purchase Agreement between Marshall & Swift/Boeckh, LLC ("MSB"), Marshall & Swift/Boeckh (Canada) Ltd., Decision Insight Information Group, S.á.r.l. (collectively, the "Decision Insight Parties"), Automated Benefits Corp., Symbility Solutions Inc., and Symbility Solutions (USA) Inc. (the "Asset and Stock Purchase Agreement") dated January 25, 2012, both of which have been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

The following description of certain material provisions of the Asset and Stock Purchase Agreement is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Asset and Stock Purchase Agreement.

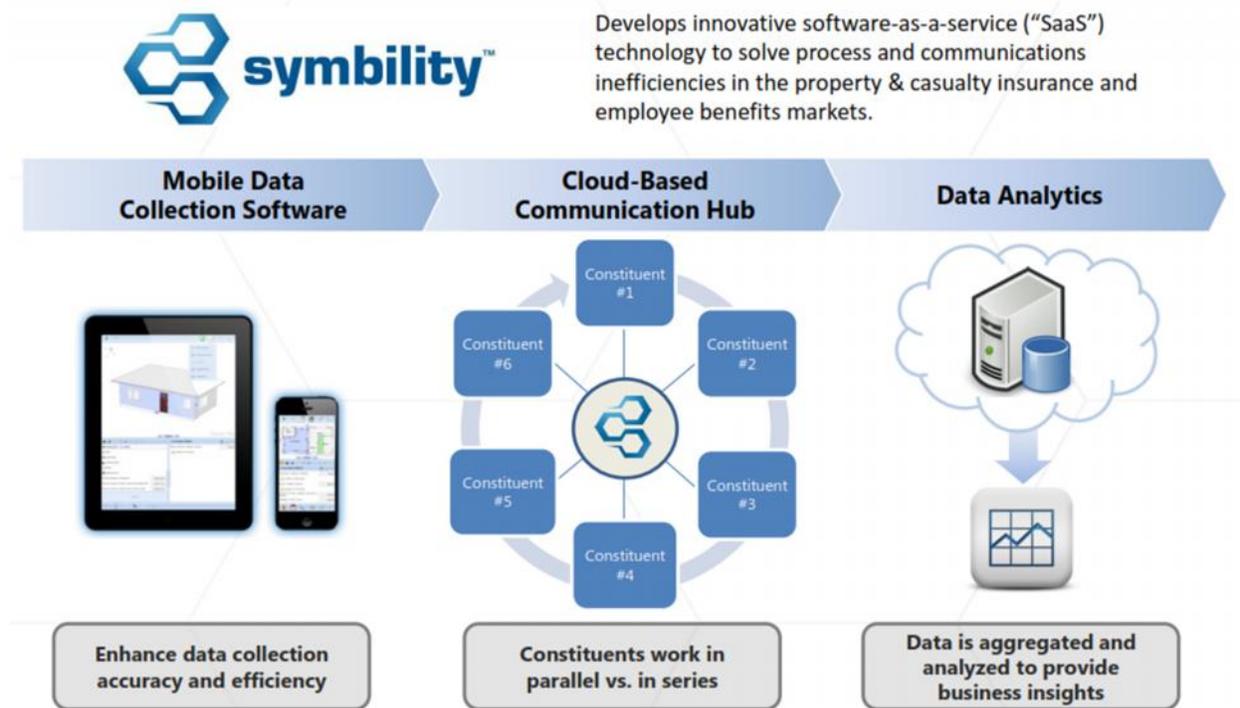
The Corporation acquired certain assets used exclusively in the conduct of the claims division of MSB ("MSB Claims Business") including: (i) certain tangible personal property; (ii) certain intellectual property; (iii) all accounts receivable relating to the MSB Claims Business; (iv) certain contracts; (v) prepaid expenses relating exclusively to the MSB Claims Business as of the closing date; (vi) certain deferred commissions and prepaid commissions; (vii) certain intangible assets; (viii) all books and records exclusively related to the MSB Claims Business; (ix) all technical

materials and guidelines related exclusively to the acquired assets; and (x) all goodwill associated exclusively with the MSB Claims Business and the acquired assets.

The Corporation has filed a Form 51-102F4, Business Acquisition Report in respect of this acquisition on SEDAR at [www.sedar.com](http://www.sedar.com) on May 29, 2012.

## 5.0 Description of the Business

### 5.1 Our Business Operations



Symbility Property's software is a SaaS technology that automates property insurance claims through its complementary components. Symbility Claims Connect is the collaborative workflow management tool that gives every claim participant real-time access to the claims they are working on. Symbility Inside Adjuster is an integrated application designed to streamline the first notice of loss process for the faster settlement of claims. Its award-winning Symbility Mobile Claims software is an estimating tool that increases speed, efficiency and accuracy by allowing on-site claims processing. Symbility software solutions give users the mobility, speed and control needed to effectively and quickly move onto the next claim.

Symbility Health provides a software solution for the adjudication of health and dental claims. This SaaS application adjudicates claims in real-time, providing clients with the highest level of flexibility available along with complete disclosure on the plan's financial performance. Symbility Health enables their clients to provide an additional level of value-added service in a very cost effective manner. The Symbility Health software supports the adjudication of health and dental claims through local insurance brokers across Canada.

### 5.2 Segmented Information

The Corporation consolidated revenue in fiscal 2013 and 2012 was \$21,894 and \$16,537 respectively (all amounts in thousands of Canadian dollars, except per shares amounts).

<b>Revenue by Segment</b>		
<i>For the years ended December 31,</i>	<b>2013</b>	2012
Symbility Property Revenue	<b>17,828</b>	12,936
Symbility Health Revenue	<b>4,066</b>	3,601
Consolidated Revenue	<b>21,894</b>	16,537

**Revenue by Geography**

For the years ended December 31,	2013	2012
Canada	5,032	4,195
United States	14,161	10,880
International	2,701	1,462
Consolidated Revenue	21,894	16,537

Symbility Property revenue is earned in all geographies, whereas Symbility Health revenue is earned solely in Canada.

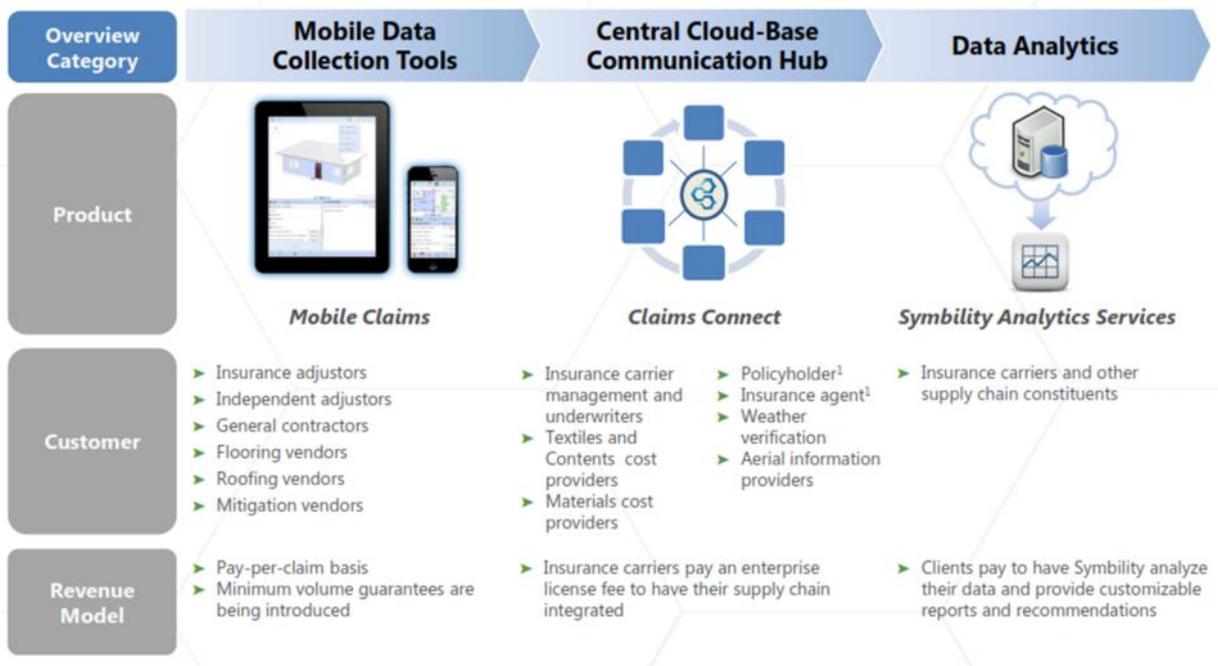
**5.3 Symbility Operations**

Summary of Products

Symbility is a leading provider of software for the property and casualty Insurance industry. Our focused suite of claims estimating and workflow solutions are designed to:

- Enable collaboration across the claims processing cycle
- Accelerate loss site claims estimating
- Reduce time and cost to settlement
- Improve client satisfaction

The suite of software solutions and services includes:



*Symbility Mobile Claims - Intuitive field estimating application*

Symbility Mobile Claims is the industry's most intuitive field estimating solution designed to enhance adjuster and third-party contractor productivity. Mobile Claims allows field staff to capture claims information in virtually any form to quickly and easily generate onsite estimates, even in extreme conditions with no Internet access.

Symbility Mobile Claims provides:

- Rapid loss site estimate generation
- Ability to capture photographs, voice files, handwritten notes, laser measurements and more
- Real-time data synchronization with Symbility Claims Connect
- Offline use when no Internet connection is available

*Symbility Claims Connect – Workflow management software*

Symbility Claims Connect is a robust workflow management solution enabling end-to-end collaboration across the entire claims processing environment and fast, accurate analysis of key claims processing performance metrics. With Claims Connect, all claims participants, from field estimators to staff adjusters to building contractors and even the insured, gain rapid, secure and rights-defined access to claims data, enhancing communication to dramatically reduce time-to-resolution.

*Symbility Inside Adjuster – Enhances call center productivity*

Symbility Inside Adjuster is a powerful triage solution that allows desk adjusters to rapidly and easily prioritize, route for follow-up, or settle claims according to severity. Inside Adjuster allows your business to reduce claims cycle times – a critical measurement in policyholder satisfaction.

*Symbility Reporting/Analytics Services - Analytics and change-management services*

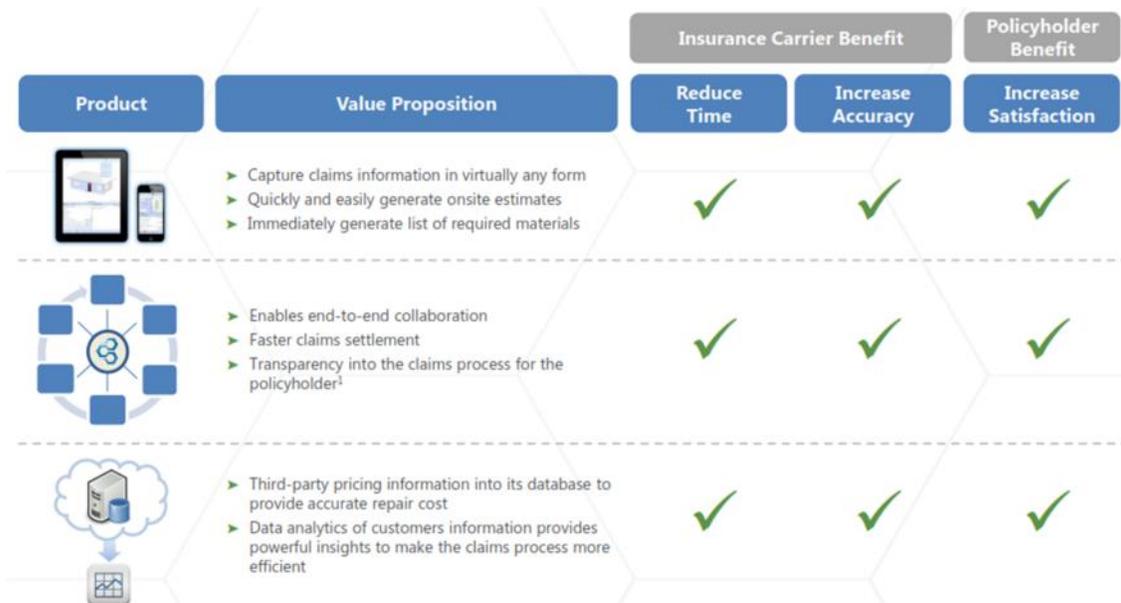
- Reporting tools include Template reports and Report builder to create custom reports
- Mine data to uncover trends within your claims
- Services improve the accuracy of claim handling and the fairness of indemnity payouts
- Create claims strategies that will enable one to outperform its competitors
- Measure current performance and identify areas for improvement
- Identify specific company best practice targets
- Compare target best practices against the industry results
- Increase compliance and consistency

With the completed acquisition Symbility Property also entered into a long-term strategic license agreement to integrate MSB's Total Component Data into Symbility's mobile claims software for all clients.

*MSB® Total Component Data - Best-in-class cost data, independently researched and validated*

- Enables the combined business to immediately meet the needs of carriers
- Provides one with defensible information and insight
- Data is segmented at the 5-digit ZIP and 6-character Canadian postal code
- Ensures all of the data stays accurate and up-to-date while pricing remains consistent

The value proposition for these products and services benefits both insurance carriers and policy holders:



1. Extent to which policyholder is able to view status of current claims process is at the discretion of the insurance carrier.

### Competitive Conditions

Our Symbility Property division has a number of competitors in the property and casualty insurance claims estimating space.

In the Property and Casualty insurance claims market, certain products are offered by a number of companies, including Xactware, a division of Verisk Analytics, Simultaneous Solutions Inc., Hawkins Research Inc., Bluebook International Inc. and Vedder Software Group Ltd. Prior to the acquisition of MSB Claims Division described above, MSB was a competitor as well.

We believe that with our cutting-edge, easy-to-use cloud-based claims processing and estimating technology that optimizes claims performance for the property & casualty insurance industry, combined with most extensive and defensible property cost data developed by MSB, enhances our competitiveness against these companies.

### New Products

In 2013, Symbility Property deployed a number of enhancements, including the following features:

- Symbility Mobile Claims application is now available on the iPad® and iPhone® and Android™ compatible versions. This iOS and Android compatible version of the tool replicates and extends the user experience across devices, giving our customers additional speed, flexibility and accuracy in the process of adjudicating a property claim, with no additional training required.
- Payment Tracker – is a new module that will allow users to enter payments and correlate specific items on receipts with estimate line items
- Material Purchase Provider Program – for the integration that provides user with a large material provider network, a carrier and a contractor network for fulfilling material requirements on a claim.
- Mobile App Integration: Sensopia – integration with Mobile Claims that measures and diagrams rooms as a user snaps pictures of corners and doors.

For 2014 and beyond, Symbility Property has additional enhancements identified including the following:

- Cost Database Intelligence – a new tool to improve field users efficiency by filtering down the pricing database and implementation of construction process knowledge
- Predictive Modelling – new tool to improve field user efficiency by predicting estimate line items based on property characteristics and type of loss
- Contents – through the iteration and resale of the Enservio's ContentsExpress™ (described below) a new inventory and contents estimating module in Mobile Claims.
- Consumer Participation in Claims – improvements to the guest user functionality to facilitate the participation of the policy holder in a claim.
- Material Purchase Provider Program – improvements to the existing program to further automate the Program.
- Video Collaboration – integration of video technology as part of the claim process using an application which enables at-site customers of adjusters to connect to at-desk technical experts. This application provides live audio/video feed, recording, and freeze frame capabilities to accelerate the claims settlement process.

### Seasonality

Seasonal factors impact Symbility Property's results in most quarters. The second and third quarters typically have greater storm and catastrophic events, which in turn generate higher claim volumes and revenue. However, Symbility Property has begun to sign contracts with fixed fees or minimum claim volumes, which should reduce the seasonality.

### Economic Dependence

In the year ended December 31, 2013, there were two customers which accounted for more than 10% or \$2,591 and \$5,788 respectively (2012 – one customer, \$5,126) of the Corporation's consolidated revenue. Both of these customers are in the Symbility Property division.

### Foreign Operations

For the year ended December 31, 2013, sales to clients outside of Canada accounted for 95% (2012 – 95%) of Symbility Property revenue, such that Symbility Property is very dependent upon foreign sales. We expect that sales outside of Canada, primarily to the United States, will continue to account for most of its revenue for the foreseeable

future. International revenues, while small, (2013 - 15%, 2012 - 11%) offer an opportunity to expand our revenue base.

Symbility Property has significant operations in the United States, accounts approximately 80% (2012 – 84%) of Symbility Property revenue. Symbility Property has a direct sales force and operations in the United States following the acquisition of the MSB Claims Business in 2012.

Symbility Property continued to invest a significant amount of time working with its partner, Innovation Group (“IG”), to support the needs of the UK market and new customers in this geography. Symbility Property and IG have been working together since April 2008.

On January 16, 2013, Symbility announced its strategic partnership with Digicall Solutions, a market leader of technology-enabled outsourcing and software solutions, for the expansion of the Symbility mobile claims platform in South Africa. They will begin using the Symbility application through its Assessing Solutions Division, to process claims and manage the contractor network for tier one insurers including, Absa Insurance Company Limited and Zurich Insurance Company South Africa Limited. Concurrent with these deployments, Digicall Solutions will leverage its customer relationships to become an exclusive value added reseller of Symbility’s software.

During 2013, Symbility Property has expanded its international operations through the hiring of 3 people in Europe to facilitate this expansion. Symbility Property will continue to invest in the international opportunities due to its competitive advantage in these markets.



## 5.4 Symbility Health Operations

### Summary of Products

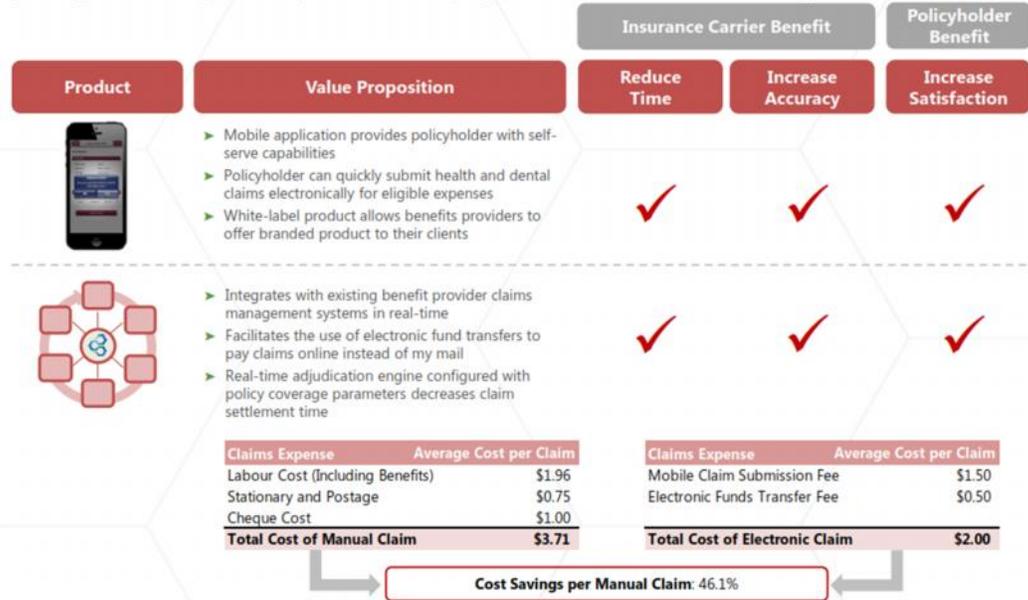
Symbility Health’s aim is to create collaborative technologies that deliver a different kind claims experience for the healthcare market. Symbility Health will achieve this by leveraging Symbility Property’s global experience providing cloud-based and mobile technology to the property and casualty insurance segment. Symbility Health’s goal is to provide all of the tools required to analyze, adjust, adjudicate and settle a claim in the field with every participant collaborating in the same system, sharing the same information.

Symbility Health simplifies the group benefit process by giving its clients, Third Party Administrators (“TPAs”) and employee benefit brokers, the tools to control their group benefit business. We work with our clients to provide, through a web-based portal, access to the status of their health benefit claims. Our clients in turn offer Symbility Health’s solution to their customers. As a result, our software adjudication has come to redefine the marketplace because it is simple to use, simple to understand and proven to increase output as it decreases costs. Also, Symbility Health can be fully integrated into a client’s existing system. Symbility Health’s solutions provide clients with total control over the entire claims management experience.

Our core Business Model and Product Strategy for Symbility Health is built around four key modules:



In 2013, Symbility Health began to expand its value proposition to include a mobile application for claims submission.



For 2014, Symbility Health has additional enhancements planned to create a workflow product, Symbility Health Claims Connect, to provide a centralized workflow for all of these modules. The overview of our product strategy is to become the central hub for all of these, and future, products.



### *Benefit Plan Services*

Symbility Health also provides group benefit administrators with a simple, cost-effective solution to increase productivity and control. Symbility Health leverages volume and purchasing power from its national network of partners to enable our clients to offer services and products to their customers. The Benefit Plan Services include products such as:

- Group Insurance Plan
- Medical Second Opinion Service
- Employee/Business Owner Assistance Plan
- Out-of-Country Group Travel Insurance
- Stop-Loss Program
- Wellness Solutions

Symbility Health provides these services as a reseller of these services.

### Competitive Conditions

Symbility Health's competitors in the Canadian market space are Telus Assure Claims, Express Scripts Canada, Esorse Corporation, C-surance Service Global Inc., Canadian Benefit Administrators Ltd., BKI Financial Strategies Ltd , Claims Secure and NextGenRx.

Symbility Health is uniquely positioned to provide services such as a white label solution for Third-Party Administrators and Brokers, as well as Health Care Spending Accounts and Cost Plus services, which are not offered by many other competitors in the adjudication space.

### Seasonality

There is no significant seasonal impact on Symbility Health revenue.

### Economic Dependence

No Symbility Health client represents more than 10% of consolidated revenues.

## **5.5 Research and Development**

The Corporation invests in software innovations that are intended to sustain our leading edge technologies, underpin our custom development/professional services and complement our training of clients. Our research and development is primarily performed by employees of the Corporation, or its subsidiaries, in Canada.

We carry out some of our research and development initiatives with the financial support of government, including the Government of Quebec, the Government of Ontario and the Government of Canada.

We receive investment tax credits on eligible research and development activities that we undertake in Canada from the various governments. The credits we receive are based on federal and provincial legislation current enacted. The investment tax credits available to us can be reduced by changes to the respective governments' legislation, which could have a negative impact on our financial performance and research and development activities.

## **5.6 Human Resources**

As of December 31, 2013, the Corporation had 117 employees (2012 – 80). None of the Corporation's staff are unionized. The Corporation believes that one of its major resources is its highly skilled workforce.

## **6.0 Risk Factors**

The business of developing software is inherently risky. The Corporation has risks which even a combination of experience and knowledge and careful evaluation may not be able to overcome. The following risk factors should be carefully considered:

- 6.1 The Corporation is in the business of developing claims management software for health and dental plans and insurance products for employer groups as well as property and casualty insurance claims estimation software. The development involves a substantial degree of risk, which even a combination of experience,

knowledge and careful evaluation may not be able to overcome. Shareholders must rely on the ability, expertise, judgment, discretion and integrity of the management of the Corporation.

- 6.2 There is no assurance that the Corporation will be profitable in the future or that the Corporation will be able to generate sufficient cash from operations to pay dividends on its shares and it does not anticipate paying dividends in the near future. If the Corporation is unable to effectively manage its planned growth and expansion, its growth strategy could be negatively affected. Any inability to manage growth effectively could have a material adverse effect on the business, results of operations and financial condition of the Corporation.
- 6.3 The Corporation is in the early stages of commercial production of certain of its products following the initial development stage and therefore, is subject to the risks associated with early stage companies, including startup losses, uncertainty of revenue, markets and profitability and the need to raise additional funding. The Corporation has committed, and for the foreseeable future will continue to commit, significant financial resources to product development, research and marketing efforts.
- 6.4 The Corporation has entered into a number of strategic relationships with third parties. The termination of any one or more of its strategic relationships may have a material adverse effect on the Corporation's ability to offer certain products and services.
- 6.5 The Corporation's products are technically complex, and, despite pre-release testing, may contain undetected errors or performance problems. There can be no assurance that such errors or performance problems will not be discovered in the future, which may cause delays in product introduction, require design modification or result in product liability claims against the Corporation.
- 6.6 The computer software industry generally is susceptible to significant technological advances in both hardware and software and the introduction of new products and services utilizing new technologies. Further, the industry is also subject to changing industry standards, market trends and customer preferences and to competitive pressures, which can, among other things, necessitate revisions in pricing strategies, price reductions and reduced profit margins. The success of the Corporation will depend on its ability to secure technological superiority in its products and maintain such superiority in the face of new technologies. While the Corporation believes its products are currently competitive, no assurances can be given that the products of the Corporation will be commercially viable or that further modification or additional products will not be required in order to meet demands or to make changes necessitated by developments made by competitors which might render products of the Corporation less competitive, less marketable or even obsolete over time. The future success of the Corporation will be influenced by its ability to continue to adapt its current systems and to develop new competitive products. Although the Corporation is committed to the development of new products and the improvement of its existing products, there can be no assurance that these research and development activities will prove profitable or that products resulting therefrom, if any, will be successfully produced and marketed.
- 6.7 One element of the Corporation's business strategy is to create and diversify channels of distribution of its products both domestically and internationally. The Corporation is currently investing, and plans to continue to invest, cash and personnel resources to create a North American direct sales and marketing force and develop distribution relationships with additional third party distributors and resellers in North America and internationally. The Corporation's ability to achieve significant revenue growth in the future will depend in large part on its success in recruiting and training sufficient sales personnel, distributors and resellers. There can be no assurance that the Corporation will be able to attract, train and retain a sufficient number of distributors or direct sales personnel or that such third party distributors will recommend, or continue to recommend, the Corporation's products or devote sufficient resources to market such products. These factors could have a material adverse effect on the Corporation's business, operating results and financial condition.
- 6.8 If financing is required in the future, the ability of the Corporation to arrange such financing will depend in part upon the prevailing capital market conditions as well as the business performance of the Corporation. There can be no assurance that the Corporation will be successful in its efforts to arrange additional financing on terms satisfactory to the Corporation. If additional financing is raised by the issuance of shares from the treasury of the Corporation, control of the Corporation may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Corporation may not be able to take advantage of opportunities, develop new products, or otherwise respond to competitive pressures and remain in business.
- 6.9 The success of the Corporation will depend, in part, on its ability to maintain trade secret protection and the proprietary nature of its technology, as well as operate without infringing the proprietary rights of third

parties. The systems and products developed by the Corporation also incorporate technology and processes that will not be protected by any patent and are capable of being duplicated or improved upon by competitors. Accordingly, the Corporation may be vulnerable to competitors, which develop competing technology, whether independently or as a result of acquiring access to the proprietary information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use the Corporation's products or technology without authorization or to develop similar technology independently. In addition, effective copyright and trade secret protection may be unavailable or limited in certain foreign countries and the global nature of the Internet makes it virtually impossible to control the ultimate destination of the Corporation's products. The Corporation is currently evaluating the effectiveness of trade-mark protection with respect to its technologies and products. In those cases where trade-mark protection will be an effective means of maintaining its competitive advantage, the Corporation will make application for trade-marks in the appropriate jurisdictions. Despite the Corporation's efforts to protect its proprietary rights, unauthorized parties may attempt to copy aspects of the Corporation's products or to obtain and use information that the Corporation regards as proprietary. Policing unauthorized use of the Corporation's products will likely be difficult and expensive. There can be no assurance that the steps taken by the Corporation will prevent the misappropriation of its technology or that such agreements will be enforceable. In addition, litigation may be necessary in the future to enforce the Corporation's intellectual rights, to protect the Corporation's trade secrets, to determine the validity and scope of the proprietary rights of others or to defend against claims of infringement or invalidity. Such litigation could result in substantial costs and diversion of resources and could have a material adverse effect on the Corporation's business, operating results or financial condition.

- 6.10 Although the Corporation does not believe that its products infringe the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against the Corporation or that any such assertions or prosecutions will not materially adversely affect the Corporation's business, financial condition or results of operations. Irrespective of the validity or the successful assertion of such claims, the Corporation would incur significant costs and diversion of resources with respect to the defense thereof which could have a material adverse effect on the Corporation's business, financial condition or result of operations.
- 6.11 The Corporation has direct competition for the products offered by the Corporation. These competitors and new entrants into the markets for these products and services may have longer operating histories, greater name recognition and greater financial, technical and marketing resources than the Corporation. Such competitors could materially adversely affect the Corporation's business, results of operations and financial condition.
- 6.12 The forecasted demand for the Corporation's products or services may be overstated, based on incorrect or incomplete data and/or assumptions, or affected by developments in the Corporation's clients' markets or the industries as a whole.
- 6.13 As access to, and usage of, much of the Corporation's software is highly dependent on the integrity of the Internet, the Corporation's licensees may experience difficulty in utilizing the software in the event of disruptions in their Internet service. This could result in the loss of customers and therefore could materially adversely affect the Corporation's business.
- 6.14 The Corporation may experience fluctuations in future quarterly operating results that may be caused by many factors, including: (i) changes in the level of marketing and other operating expenses to support future growth; (ii) competitive factors; and (iii) general economic conditions. Consequently, the Corporation believes that period-to-period comparisons of its operating results will not necessarily be meaningful and should not be relied upon as an indication of future performance. It is likely that the Corporation's future quarterly operating results from time to time, may not meet the expectations of securities analysts or investors, which may have a material adverse effect on the market price of the Corporation's shares.
- 6.15 The closing of the MSB Claims Business transaction on April 10, 2012 resulted in a new Control Person (as defined under the TSX Venture Exchange's Corporate Finance Manual) of the Corporation. This Control Person and certain of its affiliates control approximately 29% of the voting interest in the Corporation and have the ability to significantly influence the strategic direction and policies of the Corporation and to influence the election of the Directors and the composition of the Corporation's Board. The interests of the Control Person and certain of its affiliates may conflict with those of other shareholders of the Corporation.
- 6.16 The Corporation will be substantially dependent upon the services of a few key personnel for the successful operations of its businesses. The loss of the services of any of the personnel could have a material adverse effect on the business of the Corporation. In addition, competition exists for qualified personnel, and the Corporation may be unable to attract or retain highly qualified personnel in the future. Also, the right of Decision Insight Information Group and certain of its affiliates to approve senior management of the

- Corporation could adversely affect the Corporation's ability to attract and retain key management personnel.
- 6.17 The Corporation's ability to maintain and successfully execute its business depends upon the personal reputation, judgment, business generation capabilities and project execution skills of its senior professionals.
- 6.18 As part of its business strategy, the Corporation may seek to grow by acquiring businesses or establishing joint ventures that it believes will complement its current or future business. The Corporation may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel into its business. The Corporation cannot guarantee that it can complete any acquisition it pursues on favorable terms, or that any acquisitions completed will ultimately benefit its business.
- 6.19 The Corporation may in the future derive significant sales revenue from sales of its products and services to customers located in other countries. As a result, fluctuations in the value of foreign currencies against the Canadian dollar could result in unanticipated fluctuations in the Corporation's financial results, which are currently denominated and reported in Canadian dollars. The Corporation's business could also be adversely affected by exchange controls, currency fluctuations, and laws or policies of other countries affecting foreign trade, investments or taxation.
- 6.20 Certain of the Directors of the Corporation also serve as Directors of other public and private companies and consequently there exists the possibility for such Directors to be in a position of conflict. Any decision made by such Directors involving the Corporation will be made in accordance with the duties and obligations of Directors to deal fairly and in good faith with the Corporation and such other companies. In addition, such Directors must declare and refrain from voting on, any matter in which such Directors may have a conflict of interest in accordance with the Business Corporations Act (Alberta).
- 6.21 To some extent the Corporation operates in a traditional and established sector where there is significant resistance to change and new ideas. Accordingly, despite a viable product and related services, the Corporation may face significant resistance in increasing its customer base.
- 6.22 The services provided by the Symbility Health between insurance brokers, their customers and insurance companies does not relieve the Corporation from ultimate liability in the event of an insurance company or insurance broker defaulting on their obligations relating to either the payment of premiums or settlement of claims. To this extent, the Corporation is exposed to contingent credit risk of an indeterminable amount. This risk is mitigated by contracting with reputable organizations, and by utilizing a number of different organizations to mitigate the exposure of any one insurance company or broker defaulting on its obligations.
- 6.23 Impairment of assets and goodwill: A cash generating unit ("CGU") is defined as the lowest grouping of assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The allocation of assets into CGUs requires significant judgment and interpretations with respect to the way in which management monitors the operations. The recoverable amounts of CGUs have been determined based on the higher of value in use ("VIU") and the fair value less costs to sell ("FVLCTS"). The key assumptions the Corporation uses in estimating future cash flows for recoverable amounts are anticipated growth rates, future operating and development costs and a discount rate. Changes to these assumptions will affect the recoverable amounts of the CGUs and may require a material adjustment to their related carrying value. Goodwill is the excess of the purchase price paid over the fair value of the net assets acquired. Since goodwill results from purchase accounting, it is imprecise and requires judgment in the determination of the fair value of assets and liabilities. Goodwill is assessed for impairment on an operating segment level based on the recoverable amount for each CGU of the Corporation. Therefore, impairment of goodwill uses the same key judgment and assumptions noted above for impairment of assets.
- 6.24 Changes in government policies, priorities and regulations could have a material adverse effect on Symbility's financial condition or results of operations or the Symbility's future growth. Some areas in which Symbility operates are subject to significant regulation, including regulations relating to privacy, security and the insurance industry. Many of these regulations change frequently; a failure by Symbility to keep current and compliant with these changes could result in sanctions that may have a material adverse effect on its results of operations, or limit its ability to operate in specific markets.
- 6.25 Changing regulations, client preferences, emerging technologies and market trends could reduce the demand for replacement cost valuation services, either entirely or in the manner supported by the MSB Claims Business. The MSB Claims Business may be unable to maintain its competitive position if it is unable to anticipate and respond to such developments. Additionally, the replacement cost valuation model and method may not be as well understood by consumers as other valuation models and methods.

Consumer preferences, including resistance or challenges to the use of replacement cost valuation by clients of the MSB Claims Business, could adversely affect the business.

- 6.26 On January 2, 2014, the Corporation announced that its largest US-based customer has renewed their contract for an additional 12 months to December 31, 2014. The renewal will result in \$8.5 US million of revenue to Symbility during 2014. During the course of 2014, the customer intends to transition off the Symbility platform in order to utilize a combined platform for both its underwriting and claims divisions and, as a result, the contract will not be renewed after 2014. Symbility's approximate revenue from this customer was \$1.8 million, \$5.2 million and \$5.8 million in 2011, 2012 and 2013, respectively.

The focus of 2014 will be on signing new carriers and large supply chain clients to replace this revenue in 2015 in North America and continuing to expand the client base internationally. The opportunities available in 2014 will be critical in achieving 2015 revenue.

- 6.27 There is no assurance that the Corporation will be profitable in the future or that it will be able to generate positive cash flow from operations.

## **7.0 Dividends**

The Corporation paid a discretionary dividend of \$0.01 per common share outstanding on April 20, 2012, to shareholders of record as at April 9, 2012. No other dividends were paid to shareholders in the three most recently completed financial years.

The decision on whether to declare, adjust or eliminate a dividend is subject to the Board of Directors discretion. In determining whether to declare and the amount of a dividend, the Board of Directors, among other criteria, takes into record the Corporation's financial condition, results of operations, capital requirements and such other factors as the Board of Directors deems relevant at such time.

## **8.0 Description of Share Capital**

The Corporation's authorized capital consists of an unlimited number of common shares and an unlimited number of preference shares, issuable in series. Currently, only common shares of the Corporation are issued and outstanding. No preference shares issued and outstanding.

### **8.1 Common Shares**

Each of the Corporation's common shares is entitled to one vote at all meetings of our shareholders. Each common share is also entitled to receive dividends if, as and when declared by the Board of Directors. If the Board of Directors declares and pays dividends, it must do so in equal amounts per share on all common shares (and subject to certain priority rights of the preference shareholders, if any). Common shareholders are entitled to participate in any distribution of our net assets if the Corporation liquidates, dissolves or winds-up (but subject to certain priority rights of preference shareholders, if any). The common shares do not have any pre-emptive, redemption, purchase or conversion rights except for the compulsory provisions described below related to enforcing the restrictions on ownership of our voting shares.

### **8.2 Preference Shares**

The Board of Directors may issue preference shares at any time and in one or more series. If the Board of Directors issues preference shares, it will, before they are issued, fix the number, consideration per share, designation of, and rights and restrictions for the preference shares of each series (subject to the special rights and restrictions attached to all preference shares). Each series of preference shares will rank equally with all other series of preference shares for the payment of dividends and return of capital if we liquidate, dissolve or wind-up. The preference shares have a priority right to receive dividends and any return of capital before the common shares and any other junior shares. We cannot amend the preference shares' special rights and restrictions as a class without obtaining any approval required by law, and the approval of at least two-thirds of the vote cast at a meeting of preference shareholders called and held for the purpose. To date, we have not issued any preference shares.

## 9.0 Market for Securities

The Corporation's shares are listed on TSX Venture Exchange under the symbol SY. The following table sets out the high and low sale prices per common share and the volume of common shares traded for the periods indicated, as reported by the TSX Venture Exchange.

<u>2013</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
January	0.490	0.425	6,90,7202
February	0.540	0.440	11,925,475
March	0.530	0.440	4,479,787
April	0.490	0.340	2,441,463
May	0.440	0.390	2,800,625
June	0.440	0.375	8,879,746
July	0.510	0.380	13,481,376
August	0.500	0.405	15,187,541
September	0.465	0.405	4,342,360
October	0.500	0.410	16,777,003
November	0.480	0.375	6,490,380
December	0.430	0.390	3,920,192

## 10.0 Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer

### Restricted Share Plans

On March 27, 2012, the Shareholders approved the Canadian Restricted Share Plan (the "Canadian RS Plan") and the United States Restricted Share Plan (the "United States RS Plan", and together with the Canadian RS Plan, the "RS Plans"). Awards granted pursuant to the RS Plans, together with all other security based compensation granted by the Corporation, shall not exceed 10% of the issued and outstanding Common Shares on the date of grant.

A full description of the RS Plans is included in the Management Information Circular dated February 24, 2012 and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

As of the date of this AIF, there are no RSs outstanding.

## 11.0 Directors and Officers

### 11.1 Name, Occupation and Security Holding

Directors are elected annually and will hold office until our next annual meeting of shareholders or until the director resigns, becomes ineligible, unable to serve or until his or her successor is elected or appointed. The table below sets out, for each director, his or her place of residence, date first elected as a director, other principal directorships and principal occupations for the previous five years.

<p><b>James Balas</b>  <i>Long Beach, CA, USA</i></p> <p><i>Common Shares: Nil<sup>(5)</sup></i>  <i>Stock Options: Nil</i></p> <p><b>Board Details:</b></p> <ul style="list-style-type: none"> <li>• <i>Director since March 27, 2014</i></li> <li>• <i>Not Independent</i></li> </ul>	<p>James L. Balas is the Senior Vice President Finance and Controller at CoreLogic. In his role Mr. Balas is responsible for leading the accounting, tax, financial reporting, and SEC reporting functions for CoreLogic. Mr. Balas previously served as Vice President and Corporate Controller at Ameron International, a leading manufacturer of highly engineered products and materials for the chemical, industrial, energy, transportation and infrastructure markets, where he led global financial reporting (internal and external) and analysis, forecasting, accounting and control activities at the corporate level. Prior to Ameron, Mr. Balas held senior finance positions at Keystone Automotive Industries, and served as Chief Financial Officer at Solar Integrated Technologies. Mr. Balas holds a bachelor's degree in business from California State University, Long Beach and an MBA from the University of Southern California.</p>
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<p><b>R. Larry Binnion</b><sup>(1)</sup> Toronto, ON, Canada</p> <p>Common Shares: 233,131 Restricted Shares: Nil Stock Options: 285,000</p> <p><b>Board of Directors Details:</b></p> <ul style="list-style-type: none"> <li>• Director since June 11, 2009</li> <li>• Chair of Audit Committee</li> </ul>	<p>R. Larry Binnion is a Corporate Director and computer systems executive who was appointed to the Board of Directors in June 2009. Mr. Binnion was CEO of Versa Systems Ltd. from 2001 to 2010. In 2001, Mr. Binnion raised the funding and led the management buy-out of Versa Systems Inc., a computer software company focused on the eGovernment marketplace. Mr. Binnion successfully grew this business into the North American leader in licensing, enforcement and case management software. Mr. Binnion negotiated and completed the sale of Versa in 2010. Prior to this, Mr. Binnion had a 25-year career as a partner with KPMG in Canada. During his career, Mr. Binnion undertook a wide variety of senior assignments managing large computer projects and information systems organizations. These roles included: managing partner of an oil &amp; gas software company; vice-president information technology for a large multi-national insurance and health benefits provider; program manager for a large government vehicle licensing computer transformation project; national director for an international auditing and consulting organization; and managing partner of a computer outsourcing company with experience in government, financial services, health care, distribution, construction, hospitality, and services organizations. Mr. Binnion is a Chartered Accountant and has completed the University of Western Ontario Management Training Course.</p>
<p><b>Richard Hurwitz</b><sup>(3)</sup> Telluride, CO, USA</p> <p>Common Shares: 82,500 Restricted Shares: Nil Stock Options: 100,000</p> <p><b>Board Details:</b></p> <ul style="list-style-type: none"> <li>• Director since March 15, 2013</li> <li>• Chair of Corporate Governance &amp; Nominating Committee</li> <li>• Independent</li> </ul>	<p>Richard M. Hurwitz's track-record of building high growth technology-based service companies spans 28 years and includes extensive experience in business building, general management, and capital raising with financial service and technology companies in the U.S. and abroad.</p> <p>Currently Rick serves as the Chief Executive (Americas) of The Tungsten Corporation where he is driving the monetization of its leading global e-Invoicing network - with \$200 billion in invoice volume - by offering automated supply chain financing and line item spend analytics to its Fortune 2000 and G20 client base and their worldwide supply chain.</p> <p>As Chief Executive of Pictometry International from 2010 to 2013, Mr. Hurwitz successfully led the strategic repositioning of this category-defining company in the changing geospatial industry. He drove its transition from an image content company to a provider of geospatial solutions. Mr. Hurwitz had served as Chairman of the Board at Pictometry, a role he held for eight years. During that time, he worked closely with the former CEO to lead the commercialization of Pictometry's patented aerial imaging system. Prior to taking the helm at Pictometry, Mr. Hurwitz was a partner at Aegis Investment Partners, a private investment firm which focuses on buying and turning distressed operating assets. Previously, he was a managing partner with Bancorp Services, a firm that advised financial institutions on risk and asset-liability management. There, he served as CEO of the firm's subsidiary broker-dealer which constructed and distributed structured products through Wall Street investment banks. As part of a collaborative effort among nationally recognized consultants, his team placed and administered \$12 billion of deal flow. Earlier in his career, Mr. Hurwitz served as Managing Director of Bridge Information Systems (UK) Ltd., a \$225 million vendor of real-time financial information. There, he reorganized the company's European operations to effectively transition from start-up to high-growth and developed and led non-US equity and derivative trading.</p> <p>Because of his broad investing and operating experience, Mr. Hurwitz serves as a Director at the investment management complex of Manning &amp; Napier, Inc. (NYSE: MN) and is a former member of the NASD's District 4 Committee. Mr. Hurwitz is a National Association of Corporate Directors (NACD) Board Leadership Fellow. Mr. Hurwitz has demonstrated his commitment to boardroom excellence by completing NACD's comprehensive program of study for corporate directors. He supplements his skill sets through ongoing engagement with the director community and access to leading practices. He graduated Magna Cum Laude from the University of Rochester and holds Bachelor of Arts degrees in Economics and Philosophy.</p>

<p><b>Chris Jutkiewicz</b><sup>(3)</sup> Stony Brook, NY, USA</p> <p>Common Shares: 10,000<sup>(5)</sup> Restricted Shares: Nil Stock Options: Nil</p> <p><b>Board Details:</b></p> <ul style="list-style-type: none"> <li>• Director since March 27, 2012</li> <li>• Not Independent</li> </ul>	<p>Chris Jutkiewicz is the Senior Vice President, Technology and Business Operations for Insurance Services at CoreLogic. He assumed this role as part of the recent acquisition by CoreLogic of key Decision Insight Information Group (DIIG) assets. His current focus involves working with the technology and operations teams to drive excellence in software product development and organizational, process and technology transformation. Prior to joining DIIG, Mr. Jutkiewicz was Executive Vice President and Chief Technology Officer for Wolters Kluwer, a market-leading provider of legal compliance services to major corporations, law firms, and financial institutions. While at Wolters Kluwer for 11 years, he was responsible for the delivery of multiple B-to-B web products as well as significant ERP implementations. Earlier in his career, Mr. Jutkiewicz was Vice President of Software Development in the Transaction Products Division of Reuters, Inc., where he led the development of several international financial trading systems, including GLOBEX, the first electronic trading system for commodity futures and options. Mr. Jutkiewicz received an M.B.A. with honors from Adelphi University (NY) and a B.S. in Computer Science from Union College (NY).</p>
<p><b>Robert Landry</b><sup>(1)(2)</sup> Mississauga, ON, Canada</p> <p>Common Shares: 231,117 Restricted Shares: Nil Stock Options: 250,000</p> <p><b>Board Details:</b></p> <ul style="list-style-type: none"> <li>• Director since June 11, 2009</li> <li>• Chair of Compensation Committee</li> <li>• Independent</li> </ul>	<p>Robert Landry is a Corporate Director who was appointed to the Board of Directors in June 2009. He retired at the end of 2007 having served 6 years as President and CEO of the Canadian branch of Zurich Insurance Company, a leading worldwide financial institution with Canadian revenues in excess of one billion dollars. He was the Chair of Zurich's Advisory Board from January 2008 to December 2010. Mr. Landry was a Director of the Insurance Institute of Canada (IIC) from 2006 to 2008 and Board Chair in 2007. IIC is the professional education arm of the general insurance industry in Canada representing over 35,000 members. He currently serves as a director on the Wawanesa Mutual Insurance Company's board. Wawanesa is a large Canadian insurer head office in Winnipeg with offices across Canada. As well, Mr. Landry was a member of the United Way of Greater Toronto Cabinet in 2005 and 2006 and from 2009 to 2011 co-chaired an all property and casualty insurance industry fundraiser in concert with The Canadian Cancer Society's Relay for Life. Mr. Landry holds the Fellow, Chartered Insurance Professional diploma from the Insurance Institute of Canada and early in 2009 received his ICD.D designation from the Institute of Corporate Directors.</p>
<p><b>G. Scott Paterson</b><sup>(4)</sup> Toronto, ON, Canada</p> <p>Common Shares: 7,722,339<sup>(6)</sup> Restricted Shares: 378,476 Stock Options: 450,000</p> <p><b>Board Details:</b></p> <ul style="list-style-type: none"> <li>• Director since May 31, 2004</li> <li>• Chair of Board</li> <li>• Independent</li> </ul>	<p>G. Scott Paterson is Vice Chairman of Neulion, Inc. (TSX: NLN) a world leader in delivering video to internet-connected devices on behalf of customers such the NHL, NFL, NBA, NCAA and the UFC. Mr. Paterson served as Chairman &amp; CEO of JumpTV from June 2006 until the company's merger with Neulion in October 2008. Mr. Paterson spent 16 years in the investment industry last serving as Chairman &amp; Chief Executive Officer of Yorkton Securities. From April 1995 to December 2001, under Mr. Paterson's leadership, Yorkton raised over \$3 billion as lead underwriter for Canadian technology, biotechnology and film &amp; entertainment companies.</p> <p>Mr. Paterson has served the Canadian securities industry as chairman of the Canadian Venture Exchange, Vice Chairman of the Toronto Stock Exchange, governor of the Investment Dealers Association of Canada and as a director of each of the Canadian Investor Protection Fund, Canadian Securities Institute and the Canadian Securities Advisory Council. Mr. Paterson serves the community today as a governor of Ridley College and as Chairman of the Merry Go Round Children's Foundation, which he co-founded in 1997. He is a graduate of Ridley College and earned a Bachelor of Arts (Economics) degree from the University of Western Ontario.</p> <p>Mr. Paterson is a recipient of Canada's <i>Top 40 Under 40 Award</i>, was recognized in 1999 by Time Magazine as one of <i>Canada's 21st Century Leaders</i> and, in 2000, received the <i>Purple &amp; White Award</i>, the highest recognition provided Alumnus from his alma mater. In January 2007, Mr. Paterson was one of only 17 people worldwide that Newsweek magazine recognized as <i>Who's Next in 2007</i> in connection with his role at JumpTV. Mr. Paterson is a 2009 graduate of the Institute of Corporate Directors at the Rotman Business School at the University of Toronto.</p>

<p><b>Tony Reisz</b><sup>(2)</sup> <i>Indianapolis, IN, United States</i></p> <p><i>Common Shares: Nil</i><sup>(5)</sup> <i>Restricted Shares: Nil</i> <i>Stock Options: Nil</i></p> <p><b>Board Details:</b></p> <ul style="list-style-type: none"> <li>• <i>Director since March 15, 2013</i></li> <li>• <i>Not Independent</i></li> </ul>	<p>Tony Reisz is the Managing Director, Insurance Services at CoreLogic. In his role Mr. Reisz oversees a portfolio of businesses that provide essential property information, solutions and services to insurance, financial, legal and real estate professionals throughout the United States, Canada and Europe. Prior to joining MSB, which was recently acquired by CoreLogic, Mr. Reisz spent more than a decade providing transformative executive leadership to firms in the Information Technology and Property and Casualty Insurance industries. During his time as President and CEO of Ontario Systems, he led the organization through one of its most innovative periods by dramatically revamping its entire product suite-garnering a host of industry awards in the process. When Mr. Reisz was President of Insurity, he led a complete restructuring of the organization, including new product development, diversifying revenue sources, realigning the product portfolio and repositioning its place in the market through a comprehensive rebranding process. Mr. Reisz holds a bachelor's degree in business from the University of Dayton.</p>
<p><b>James R. Swayze</b><sup>(4)</sup> <i>Toronto, ON, Canada</i></p> <p><i>Common Shares: 10,233,482</i> <i>Restricted Shares: 568,267</i> <i>Stock Options: 2,166,866</i></p> <p><b>Board Details:</b></p> <ul style="list-style-type: none"> <li>• <i>Director since May 31, 2004</i></li> <li>• <i>Chief Executive Officer</i></li> <li>• <i>Not Independent</i></li> </ul>	<p>James R. Swayze has been Chief Executive Officer of the Corporation since May 31, 2004 and served as President of the Corporation from May 31, 2004 to March 5, 2012. Mr. Swayze was previously the President of Insource Limited, a consulting firm dedicated to financial services marketing, owned by GE Capital.</p> <p>In 1997, Mr. Swayze concurrently held the position of Senior Vice-President, Business Development of GE Employers Reassurance Canada (GE ERC) and in 2000 he was appointed Vice-President, Sales &amp; Marketing, North America for the United States parent company of GE ERC.</p>
<p><b>Robert W. Tretiak</b><sup>(1)(2)</sup> <i>Kyle, SK, Canada</i></p> <p><i>Common Shares: 109,700</i> <i>Restricted Shares: Nil</i> <i>Stock Options: 300,000</i></p> <p><b>Board Details:</b></p> <ul style="list-style-type: none"> <li>• <i>Director since July 18, 2000</i></li> <li>• <i>Independent</i></li> </ul>	<p>Robert W. Tretiak is an independent businessman who has a long history of building technology companies. He is currently the President and a founding co-owner of Virtual Equipment Solutions LLC (Canada). Prior to establishing VES, he was General Manager, Energy for NGRAIN Corporation. Previously, Mr. Tretiak was Chairman of 5 by 5 Software Ventures (BRIDGEWERX) which provided web-based integration services to its customers (September 2003 – September 2006). Prior to that, Mr. Tretiak was CEO and President of Applied Terravision Systems Inc. (ATS), a TSXV company. He founded the company, grew it, listed on the venture exchange and ultimately sold the company to Cognicase for \$68 million, creating shareholder value. During his career, he served on the board of several small private technology companies. In addition, he served on the board of Calgary Technologies Inc., an organization focused on the incubation and growth of start-up technology companies in Calgary, AB.</p> <p>Mr. Tretiak holds B.A. in Mathematics and Computer Science, achieved at the University of Regina.</p>

<sup>(1)</sup> *Member of the Audit Committee*

<sup>(2)</sup> *Member of the Compensation Committee*

<sup>(3)</sup> *Member of the Corporate Governance & Nominating Committee*

<sup>(4)</sup> *Member of the Disclosure Committee*

<sup>(5)</sup> *This amount does not include any Common Shares owned by the Property Data Group, as the director has no beneficial ownership, direction or control over those Common Shares.*

<sup>(6)</sup> *This amount does not include 3,233,334 Common Shares owned by the Paterson Family Trust. Mr. Paterson is not a trustee and does not have any voting rights.*

As at the date of this AIF, the following are the executive officers of the Corporation, their titles, their principal occupations during the five preceding years and their municipalities of residence.

<b>Name and Municipality of Residence</b>	<b>Current Position</b>	<b>Principal Occupation During the Five Preceding Years</b>
<p><b>James R. Swayze</b> <i>Toronto, ON Canada</i></p>	<p>Chief Executive Officer, Director</p>	<p>Mr. Swayze has been Chief Executive Officer of the Corporation since May 2004 and served as President of the Corporation from May 2004 to March 2012.</p>

<b>Name and Municipality of Residence</b>	<b>Current Position</b>	<b>Principal Occupation During the Five Preceding Years</b>
<b>Richard Adair</b> <i>Toronto, ON Canada</i>	President and Chief Operating Officer	Mr. Adair is the President and Chief Operating Officer of the Corporation. Prior to this role he has been at various times the President, Chief Financial Officer, Chief Operating Officer and Corporate Secretary of the Corporation and/or its subsidiaries since he joined the Corporation in May 2006. Mr. Adair was the Chief Financial Officer from May 2006 to April 2012 and the Corporate Secretary from October 2007 to July 2012. He has been the Chief Operating Officer since October 2007 and President since March 2012.
<b>Marc-Olivier Huynh</b> <i>Montreal, QC Canada</i>	Chief Technology Officer	Mr. Huynh has been the Chief Technology Officer of the Corporation from May 2004 to present.
<b>Blair R. Baxter</b> <i>Toronto, ON Canada</i>	Chief Financial Officer, Corporate Secretary	Mr. Baxter is the Chief Financial Officer of the Corporation, a position that he has held since April 30, 2012. He was appointed the Corporate Secretary of the Corporation in July 2012. From January 2010 to April 2012, Mr. Baxter was an independent consultant providing financial system implementation services. From August 2009 to January 2010, he was the Chief Financial Officer of Versa Systems Ltd. He consulted during the period of August 2008 to August 2009, and from March 2008 to August 2008 he was the Chief Financial Officer at JumpTV Inc. Prior to March 2008, Mr. Baxter was the Chief Financial Officer of Burntsand Inc. JumpTV Inc. and Burntsand Inc. were both public companies on the Toronto Stock Exchange.
<b>John Burega</b> <i>Toronto, ON Canada</i>	Senior Vice President, Global Sales & Marketing	Mr. Burega is currently the Senior VP of Global Sales & Marketing, a position he has held since October of 2012. Prior to this position, he co-founded WOBILO Inc., a global technology provider of social games focused on the lottery and charity marketplace, a company that he was employed with from April 2009 to October 2012. Prior to this, from November 1996, Mr. Burega held the position of Vice President and General Manager for Compuware for over a decade where he was built multiple business units for the corporation and managed operations in several jurisdictions including Canada, USA, and Europe.

#### Shareholdings of Directors and Executive Officers

To our knowledge, as of March 27, 2014, the directors and executive officers of the Corporation, beneficially owned, directly or indirectly, or exercised control or direction over 26,371,393 of our common shares, representing **13%** of our outstanding common shares.

#### **11.2 Corporate Cease Trade Orders or Bankruptcies**

There have been no bankruptcies, receiverships or similar proceedings against us or any of our subsidiaries, or any voluntary bankruptcies, receiverships or similar proceedings by us or any of our subsidiaries, within the three most recently completed financial years or current financial year.

To our knowledge in the last ten years, no director or executive officer of the Corporation is or has been a director, a chief executive officer, chief financial officer or executive officer, as the case may be, of an issuer that: (i) while that person was acting in the capacity as a director, chief executive officer or chief financial officer, was the subject of a cease trade order or similar order, or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days; or (ii) while that person was acting in the capacity as a director or executive officer 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.

### Penalties or Sanctions

To our knowledge, other than described below, no director or executive officer of the Corporation (i) has 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) has 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 in making an investment decision.

Over 10 years ago, in December 2001, Mr. Paterson reached a voluntary settlement with the Ontario Securities Commission in respect to administrative proceedings which included a suspension of his registration for two years and a one million dollar voluntary payment. There were no allegations that Mr. Paterson had violated any securities law, statute, regulation or policy statement.

### Personal Bankruptcies

To our knowledge, in the last ten years, no director or executive officer of the Corporation has 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 the assets of the director or executive officer.

### **11.3 Conflicts of Interest**

To our knowledge, no director or executive officer of the Corporation has an existing or potential material conflict of interest with us or any of our subsidiaries.

### **12.0 Interest of Management and Others in Material Transactions**

To the best of our knowledge, there were no directors or executive officers or any associate or affiliate of a director or executive officer with a material interest in any transaction within the three most recently completed financial years or during the current financial year that has materially affected us or is reasonably expected to materially affect us, except as follows:

### **13.0 Transfer Agent and Registrar**

The transfer agent and registrar for our common shares is Olympia Transfer Services Inc. at its principal offices in Toronto, Ontario and Calgary, Alberta.

### **14.0 Material Contracts**

The following are the only material contracts, other than the contracts entered into the ordinary course of business, which have been entered into after January 1, 2012 that are still in effect:

- Data License Agreement by and between Marshall & Swift / Boeckh, LLC, Decision Insight Information Group Inc., and Symbility Solutions Ltd., dated April 10, 2012
- Securityholders Agreement between Symbility Solutions Inc., and Symbility Solutions Ltd., Symbility Solutions (USA) Inc., Marshall & Swift / Boeckh, LLC, Decision Insight Information Group S.à.r.l., and Marshall & Swift / Boeckh (Canada) Ltd., dated April 20, 2012
- Asset and Stock Purchase Agreement between Marshall & Swift / Boeckh, LLC, Marshall & Swift/ Boeckh (Canada) Ltd., Decision Insight Information Group S.à.r.l., Symbility Solutions Inc., Symbility Solutions Ltd., and Symbility Solutions (USA) Inc., dated January 25, 2012
- Disclosure Schedule to the Asset and Stock Purchase Agreement between Marshall & Swift/Boeckh, LLC, Marshall & Swift/Boeckh (Canada) Ltd., Decision Insight Information Group S.à.r.l., Symbility Solutions Inc., Symbility Solutions Ltd., and Symbility Solutions (USA) Inc., dated January 25, 2012,

Copies of these documents have been filed on SEDAR and are available at [www.sedar.com](http://www.sedar.com).

### **15.0 Interest of Experts**

The Corporation's consolidated annual financial statements for the year ending December 31, 2012 were audited by Ernst & Young LLP ("EY"), independent auditors appointed by the shareholders of the Corporation upon the

recommendation of the Board of Directors. To the knowledge of the Board of Directors, EY is independent of the Corporation in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario. A copy of the consolidated annual financial statements of the Corporation, together with the auditors' report thereon, is available at SEDAR at [www.sedar.com](http://www.sedar.com).

## 16.0 Additional Information

Ernst & Young LLP, Chartered Accountants, have been the auditors of the Corporation since September 21, 2006. At the next annual meeting of shareholders of the Corporation, the Corporation will propose that Ernst & Young LLP be re-appointed as auditors of the Corporation to hold office until the next meeting of shareholders.

Ernst & Young LLP provides professional services for audits relating to statutory and regulatory requirements. In the past, the Board of Directors have negotiated with the auditors of the Corporation on an arm's-length basis in determining the fees to be paid to the auditors. Such fees have been based on the complexity of the matters in question and the time incurred by the auditors. The Board of Directors believe that the fees negotiated in the past with the auditors of the Corporation were reasonable and in the circumstances would be comparable to fees charged by other auditors providing similar services.

The following table sets forth the various services provided by Ernst & Young LLP and its affiliates to the Corporation during each of the Corporation's last two fiscal years, together with the fees billed during the year for such services:

	<u>2013 Ernst &amp; Young LLP (\$)</u>	<u>2012 Ernst &amp; Young LLP (\$)</u>
Audit Fees <sup>(1)</sup>	\$146,000	\$191,000
Audit-Related Fees <sup>(2)</sup>	65,500	35,000
Tax Fees <sup>(3)</sup>	62,000	150,755
All Other Fees <sup>(4)</sup>	2,622	72,578
Total: <sup>(5)</sup>	<u>\$281,122</u>	<u>\$449,333</u>

### Notes:

1. Audit fees were for professional services rendered by Ernst & Young LLP, Chartered Accountants, for the audit of Symbility Solutions' annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.
2. Audit-related fees are for services related to performance of limited procedures performed by Symbility Solutions' auditors related to interim quarterly reports and other general accounting advice.
3. Professional services fee for tax compliance, tax advice and tax planning.
4. All other fees including transaction costs and related services performed by Symbility Solutions' auditors.
5. These fees only represent professional services rendered and do not include any out-of-pocket disbursements or fees associated with filings made on the Corporation's behalf. These additional costs are not material as compared to the total professional services fees for each year.

The Audit Committee has considered whether the provisions of the above-captioned services is compatible with maintaining the auditors' independence and has determined that such services were fully compatible with the maintenance of their independence.

Additional information about us, including directors' and officers' remuneration and indebtedness, principal holders of our securities, options to purchase securities and interests of insiders in material transactions (where applicable), and our corporate governance approach and procedures, may be found in our Management Information Circular for our annual and special meeting of shareholders held on May 15, 2013. We also provide additional financial information in our annual audited consolidated financial statements for the year ended December 31, 2013 and in the related 2013 MD&A.

We will provide, to any person, upon request to Investor Relations at 111 Peter Street, Suite 900, Toronto, Ontario, M5V 2H1; or phone at 647-775-8600; or fax at 416-359-1911, any documents we incorporate by reference, a copy of our annual audited consolidated financial statements for the year ended December 31, 2013, together with the accompanying auditors' report and the related 2013 MD&A, a copy of any interim financial reports and related interim management's discussion and analysis subsequent to the financial statements for the year ended December 31, 2013. If you are not our shareholder, we may require you to pay a reasonable charge for a copy of any of these documents.

Additional information about us, including copies of these documents may be found on our website at [www.symbilitysolutions.com](http://www.symbilitysolutions.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## SCHEDULE A - AUDIT COMMITTEE CHARTER

The primary function of the audit committee (the "Committee") of the board of directors (the "Board of Directors") of Symbility Solutions Inc. (the "Corporation") is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the processes for identifying, evaluating and managing the company's principal risks impacting financial reporting.

### **Structure and Composition**

The Committee shall be comprised of no fewer than three members from among the Board of Directors. Each member of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee. At least two members shall meet the independence and experience requirements of all applicable corporate, exchange and securities statutes, rules and regulations in Canada and the United States (the "Regulations").

All members of the Committee shall have a working familiarity with basic finance and accounting practices and shall be able to read and understand financial statements. At least one member of the Committee shall be an "audit committee financial expert" as such term is defined by the Regulations. The Board of Directors shall make determinations as to whether any particular member of the Committee satisfies this requirement.

The members of the Committee shall be elected by the Board of Directors at the meeting of the Board of Directors following each annual meeting of stockholders and shall serve until their successors shall be duly elected and qualified or until their earlier resignation or removal. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

In the event that the Chair of the Committee does not attend a meeting of the Committee, the members of the Committee shall elect a temporary Chair for such meeting by majority vote of the members in attendance at the meeting.

### **Meetings**

The Committee shall meet at least quarterly and more frequently as circumstances dictate. A majority of Committee members is required for a meeting quorum.

The Committee shall meet separately on a regular basis with management and the independent auditor in separate committee sessions.

The CEO, CFO, and Corporate Secretary of the Corporation shall normally attend meetings of the Committee. Others, such as representatives of the independent auditors, may also attend meetings as the Committee may request.

Notice of all meetings of the Committee shall be sent to the Auditors as well as Committee members. Resolutions of the Committee shall require approval by a simple majority of members voting on such resolution.

### **Responsibilities and Duties**

#### *Minutes and Reporting to the Board of Directors*

The Committee shall prepare written minutes of all of its meetings. In addition, the Chair of the Committee or designate shall report to the Board of Directors after each meeting the significant matters addressed by the Committee at such meeting and a copy of the minutes shall be made available to all members of the Board of Directors.

#### *Independent Auditor*

With respect to the Corporation's independent auditor, the Committee shall recommend to the Board of Directors the selection of the independent accounting firm, and approve the fees and other compensation to be paid to the independent auditor. The Committee and the Board of Directors shall have the ultimate authority and responsibility to select, evaluate and, when warranted, replace such independent accounting firm (or to recommend such replacement for stockholder approval in any proxy statement).

The independent auditor shall report directly to the Committee.

The Committee shall determine the extent of involvement of the independent auditor in reviewing the unaudited quarterly financial results.

The Committee shall approve all non-audit services, to be provided by the independent auditor, prior to the services being performed, including the amount of any related fees.

The Committee shall meet with the independent auditor prior to the annual audit to discuss the planning, scope and staffing of the audit.

At least, on an annual basis, the Committee shall evaluate the qualifications, performance and independence of the independent auditor and the senior audit partners having primary responsibility for the audit. The Committee shall actively engage in a dialogue with the independent auditor as to any relationships or services that may impact its independence.

The Committee shall obtain and review a report from the independent auditor at least annually regarding:

- (i) the independent auditor's internal quality-control procedures,
- (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or raised by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm,
- (iii) any steps taken to deal with any issues, and
- (iv) all relationships between the independent auditor and the Corporation

#### *Financial Reporting*

With respect to the Corporation's reporting of unaudited quarterly financial results, the Committee shall, prior to their public release and filing with securities regulatory agencies, review and discuss with management the financial statements and notes thereto, management's discussion and analysis, any related press release and the results of any independent auditor's review requested/approved by the Committee.

The review and discussion with management should include, but not be limited to:

1. Any significant judgments (e.g. estimates and reserves) made in the preparation of financial statements;
2. All critical accounting policies and practices as well as any changes thereto;
3. Any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies;
4. Any significant disagreements among management and the independent auditors in connection with the preparation of financial statements, where the services of the independent auditors have been used;
5. Any use by the Corporation of forward-looking financial guidance or "pro forma" information;
6. Any written communications between the independent auditor and management (e.g. management letters, schedule of unadjusted differences);
7. Any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Corporation's financial statements or accounting policies.

The Committee shall approve the unaudited quarterly financial statements of the Corporation.

#### *Year end Audit*

With respect to the Corporation's annual audit, the Committee shall, prior to their public release and filing with securities regulatory agencies, review and discuss with management and the independent auditor the financial statements and notes thereto for consolidated and separate entities, management's discussion and analysis, and the results of the independent auditor's audit.

The review of the Corporation's audited financial results shall include but not be limited to:

1. All matters described above with respect to the unaudited quarterly financial results;
2. Results of the independent auditor's audit;
3. Discussions with the independent auditors on the matters required to be discussed by Statement on Auditing Standards No. 61, including significant adjustments, management judgments and accounting estimates, significant new accounting policies, any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management;
4. A verbal and/or written report, as appropriate, from the independent auditors describing (i) all critical accounting policies and practices to be used, (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors and (iii) other material communications between the independent auditors and management, such as the annual management letter or schedule of unadjusted differences.

The Committee shall recommend to the Board of Directors whether the audited consolidated financial statements of the Corporation should be approved by the Board of Directors.

#### *Internal Controls, Risk Management and Legal Matters*

The Committee shall consider the effectiveness of the Corporation's internal controls over financial reporting and related information technology security and control including the process to communicate such controls, roles and responsibilities. The Committee shall discuss, with management, the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the use of derivative financial instruments, insurance coverages, foreign currency exposure and interest rate exposure.

The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and for the confidential and/or anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. The identity of any person making a submission on a confidential basis shall be revealed, at a minimum, to the Chair of the Committee. The identity of any such person, however, will otherwise be treated as confidential. The Committee shall also be provided with such evidence as it requests to confirm that no disciplinary action has been taken against such person.

Management shall report to the Committee on a timely basis all discovered incidents of fraud within the Corporation, regardless of monetary value.

#### **Other Advisors**

To the extent deemed necessary by the Committee, it shall have the authority to engage outside counsel and/or independent accounting consultants to review any matter under its responsibility.

#### **Limitations on Committee's Duties**

While the Committee has the responsibilities and power set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of either management and/or the independent auditor.

In discharging its duties, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Nothing in this Charter, including designating any member of the Committee as an "audit committee financial expert" is intended, or should be determined to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board of Directors are subject.

The essence of the Committee's responsibilities is to monitor and review the activities described in this Charter to gain reasonable assurance (but not to ensure) that such activities are being conducted properly and effectively by the Corporation.